OFFICIAL STATEMENT

$77,285,000
NEVADA SYSTEM OF HIGHER EDUCATION
UNIVERSITIES REVENUE REFUNDING BONDS
SERIES 2023

NEW ISSUE
BOOK-ENTRY ONLY

RATINGS: S&P: "AA-"
Moody's: Aa2"
See "RATINGS"

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the 2023 Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the 2023 Bonds (the "Tax Code") and interest on the 2023 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code; however, to the extent such interest is included in calculating the "adjusted financial statement income" of "applicable corporations" (as defined in Sections 56A and 59(k), respectively, of the Tax Code), such interest is subject to the alternative minimum tax applicable to those corporations under Section 55(b) of the Tax Code for tax years beginning after December 31, 2022. See "TAX MATTERS – Federal Tax Matters."

$77,285,000
NEVADA SYSTEM OF HIGHER EDUCATION
UNIVERSITIES REVENUE REFUNDING BONDS
SERIES 2023

Dated: Date of Delivery **Due: July 1, as shown herein**

The 2023 Bonds are issued as fully registered bonds in denominations of $5,000 or any integral multiple thereof. The 2023 Bonds initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), securities depository for the 2023 Bonds. Purchases of the 2023 Bonds are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the 2023 Bonds. See "THE 2023 BONDS – Book-Entry Only System." The 2023 Bonds bear interest at the rates set forth herein, payable semiannually on January 1 and July 1 of each year, beginning July 1, 2023, to and including the maturity dates shown herein (unless the 2023 Bonds are redeemed earlier), by check or draft mailed to the registered owner of the 2023 Bonds, initially Cede & Co. The principal of the 2023 Bonds will be payable upon presentation and surrender at the operations office of U.S. Bank National Association or its successor as the paying agent for the 2023 Bonds. See "THE 2023 BONDS."

The maturity schedule for the 2023 Bonds is set forth on the inside cover page of this Official Statement.

The 2023 Bonds are subject to optional redemption prior to maturity at the option of the Nevada System of Higher Education (the "System"), as described in "THE 2023 BONDS – Prior Redemption."

Proceeds of the 2023 Bonds will be used to (i) refund certain of the System's outstanding obligations; and (ii) pay the costs of issuing the 2023 Bonds. See "SOURCES AND USES OF FUNDS."

The 2023 Bonds are special obligations of the System payable solely from, and secured by a pledge of and a prior lien upon: (i) certain student fees, (ii) net revenues from student housing and dining facilities, parking facilities and special event facilities at the University of Nevada, Las Vegas, (iii) net revenues from student housing and dining facilities and parking facilities at the University of Nevada, Reno, and (iv) all grants, conditional or unconditional, from the United States of America, the State of Nevada (the "State") or any other donor which are specifically designated for the payment of the 2023 Bonds (collectively, the "Net Pledged Revenues") as described herein. The lien of the 2023 Bonds on the Net Pledged Revenues is on a parity with certain outstanding bonds of the System, as described herein, and any additional bonds issued in the future designated as parity obligations. See "INTRODUCTION – Security" and "SECURITY FOR THE BONDS." **The 2023 Bonds do not constitute a debt of the State or a debt or an indebtedness of the System within the meaning of any constitutional or statutory provision or limitation and shall not be considered to be a general obligation of the System or the State. The System has no taxing power.**

This cover page contains certain information for quick reference only. It is *not* a summary of the issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision, giving particular attention to the section entitled "CERTAIN RISK FACTORS."

The 2023 Bonds are offered when, as, and if issued by the System, subject to the approval of the 2023 Bonds by Sherman & Howard L.L.C., Reno and Las Vegas, Nevada, Bond Counsel, and the satisfaction of certain other conditions. Sherman & Howard L.L.C., also has acted as special counsel to the System in connection with this Official Statement. It is expected that the 2023 Bonds will be available for delivery through the facilities of DTC on or about April 20, 2023.

Official Statement Dated April 5, 2023

MATURITY SCHEDULE
(CUSIP© 6-digit issuer number: 641496)

$77,285,000
NEVADA SYSTEM OF HIGHER EDUCATION
UNIVERSITIES REVENUE REFUNDING BONDS
SERIES 2023

Maturing (July 1)	Principal Amount	Interest Rate	Yield	CUSIP© Issue Number
2024	$7,915,000	5.000%	2.520%	SZ8
2025	8,315,000	5.000	2.350	TA2
2026	7,165,000	5.000	2.240	TB0
2027	7,530,000	5.000	2.190	TC8
2028	7,910,000	5.000	2.190	TD6
2029	8,305,000	5.000	2.170	TE4
2030	11,055,000	5.000	2.160	TF1
2031	4,990,000	4.000	2.230	TG9
2032	5,190,000	4.000	2.240	TH7
2033	5,395,000	5.000	2.250	TJ3
2034	1,725,000	4.000	2.350[1]	TK0
2035	1,790,000	4.000	2.470[1]	TL8

[1] Priced to the first optional redemption date of July 1, 2033.

USE OF INFORMATION IN THIS OFFICIAL STATEMENT

This Official Statement, which includes the cover page, the inside cover page and the appendices, does not constitute an offer to sell or the solicitation of an offer to buy any of the 2023 Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation, or sale. No dealer, salesperson, or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the 2023 Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by the System. The System maintains an internet website; however, the information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the 2023 Bonds.

The information set forth in this Official Statement has been obtained from the System and from the other sources referenced throughout this Official Statement which the System believes to be reliable. No representation is made by the System, however, as to the accuracy or completeness of such information received from parties other than the System. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions, or that they will be realized.

The information, estimates, and expressions of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the 2023 Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the System, or in the information, estimates, or opinions set forth herein, since the date of this Official Statement.

This Official Statement has been prepared only in connection with the original offering of the 2023 Bonds and may not be reproduced or used in whole or in part for any other purpose.

The 2023 Bonds have not been registered with the Securities and Exchange Commission in reliance upon to certain exemptions contained in the Securities Act of 1933, as amended. The 2023 Bonds have not been recommended by any federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this document.

THE PRICES AT WHICH THE 2023 BONDS ARE OFFERED TO THE PUBLIC BY THE INITIAL PURCHASER OF THE 2023 BONDS (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS APPEARING ON THE INSIDE COVER PAGE HEREOF. IN ADDITION, THE INITIAL PURCHASER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS. IN ORDER TO FACILITATE DISTRIBUTION OF THE 2023 BONDS, THE INITIAL PURCHASER MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICE OF THE 2023 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

NEVADA SYSTEM OF HIGHER EDUCATION

BOARD OF REGENTS

Byron Brooks, Chairman
Joseph C. Arrascada, Vice Chairman

Patrick J. Boylan
Susan Brager
Heather Brown
Amy J. Carvalho
Michelee Cruz-Crawford
Carol Del Carlo
Jeffrey S. Downs
Stephanie Goodman
Donald S. McMichael Sr.
Laura E. Perkins
Lois Tarkanian, Ph.D.

ADMINISTRATIVE OFFICERS

Acting Chancellor: Dale Erquiaga
Chief Financial Officer: Andrew Clinger
Executive Vice Chancellor and Chief of Staff: Crystal Abba
Vice Chancellor and Chief General Counsel: James Martines

President, UNR: Brian Sandoval, J.D.
President, UNLV: Keith Whitfield, Ph.D
Vice President for Administration and Finance, UNR: Vic Redding(1)
Senior Vice President for Business Affairs and Chief Financial Officer, UNLV: Jean Vock(2)

BOND AND SPECIAL COUNSEL

Sherman & Howard L.L.C.
Las Vegas and Reno, Nevada

MUNICIPAL ADVISOR

JNA Consulting Group, LLC
Boulder City, Nevada

PAYING AGENT, REGISTRAR AND ESCROW AGENT

U.S. Bank National Association
Phoenix, Arizona

(1) Mr. Redding plans to retire in 2023 once his replacement can be found.
(2) Ms. Vock plans to depart from her position at UNLV to pursue consulting and other endeavors on a part-time basis toward the end of 2023 once her replacement can be found.

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OFFICIAL STATEMENT

$77,285,000
NEVADA SYSTEM OF HIGHER EDUCATION
UNIVERSITIES REVENUE REFUNDING BONDS
SERIES 2023

INTRODUCTION

General

This Official Statement, which includes the cover page, the inside cover page and the appendices, provides information concerning the Nevada System of Higher Education (the "System"), its $77,285,000 Nevada System of Higher Education, Universities Revenue Bonds, Series 2023 (the "2023 Bonds"). The Official Statement also includes certain information concerning the University of Nevada, Reno ("UNR"), the University of Nevada, Las Vegas ("UNLV") (collectively, UNR and UNLV are referred to as the "Universities"), and the State of Nevada (the "State" or "Nevada"). The 2023 Bonds will be issued pursuant to a resolution (the "Bond Resolution") adopted by the Board of Regents of the System (the "Board") on March 10, 2023.

The offering of the 2023 Bonds is made only by way of this Official Statement, which supersedes any other information or materials used in connection with the offer or sale of the 2023 Bonds. The following introductory material is only a brief description of and is qualified by the more complete information contained throughout this Official Statement. A full review should be made of the entire Official Statement and the documents summarized or described herein, particularly the section entitled "CERTAIN RISK FACTORS." Detachment or other use of this "INTRODUCTION" without the entire Official Statement, including the cover page, the inside cover page and appendices, is unauthorized. Unless otherwise provided, capitalized terms used herein are defined in Appendix C hereto.

The Issuer

The System was established by the Nevada State Constitution in 1864 as a body corporate and politic. Formerly known as the University of Nevada and the University and Community College System of Nevada, the System is the only public institution of higher learning in the State. The System has two principal university campuses (at UNLV and UNR). The System also includes: the Desert Research Institute ("DRI"), the System's basic and applied environmental research division; four community colleges (College of Southern Nevada in North Las Vegas and additional campuses in southern Nevada, Great Basin College in Elko, Truckee Meadows Community College in Reno, and Western Nevada College in Carson City (collectively, the "Community Colleges")) and Nevada State College at Henderson ("Nevada State College"). See "THE SYSTEM."

Purpose

Proceeds of the 2023 Bonds will be used to: (i) refund certain of the System's outstanding obligations (the "Refunding Project"); and (ii) pay the costs of issuing the 2023

Bonds. See "SOURCES AND USES OF FUNDS," for more detailed descriptions of the Refunding Project.

Authority for Issuance

The 2023 Bonds will be issued pursuant to the Bond Resolution and under authority granted by Nevada Revised Statutes ("NRS") Sections 396.809 through 396.885 (the "Bond Act"), and by Chapter 501, Statutes of Nevada 1991, as amended by Chapter 93, Statutes of Nevada 1995, as amended by SB 584, Statutes of Nevada 2001, as further amended by SB 413, Statutes of Nevada 2003, as further amended by AB 534, Statutes of Nevada 2005 as further amended by SB 455, Statutes of Nevada 2007, as further amended by Chapter 179, Statutes of Nevada 2011 (collectively, the "Project Act").

The 2023 Bonds; Prior Redemption

The 2023 Bonds are issued solely as fully registered bond certificates in the denomination of $5,000, or any integral multiple thereof. The 2023 Bonds are dated, mature and bear interest (calculated based on a 360-day year consisting of twelve 30-day months) as set forth on the cover page and inside cover page of this Official Statement. The payment of principal of and interest on the 2023 Bonds is described in "THE 2023 BONDS – Payment Provisions." The 2023 Bonds initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), the securities depository for the 2023 Bonds. Purchases of the 2023 Bonds are to be made in book-entry form only. Purchasers will not receive bond certificates representing their beneficial ownership interest in the 2023 Bonds. See "THE 2023 BONDS – Book-Entry Only System."

The 2023 Bonds are subject to redemption prior to maturity at the option of the System as described in "THE 2023 BONDS – Prior Redemption."

Security

<u>Special Limited Obligations</u>. The 2023 Bonds are special, limited obligations of the System payable solely from certain "Net Pledged Revenues" described in the following paragraph. The 2023 Bonds do not constitute a debt or an indebtedness of the System within the meaning of any constitutional or statutory provision or limitation and are not general obligations of the System or general, special or other obligations of the State. The owner of any 2023 Bond may not look to any general or other fund of the System for the payment of the 2023 Bonds except the Net Pledged Revenues described below for the 2023 Bonds. *The System does not pledge its full faith and credit for the payment of the 2023 Bonds. <u>The System has no taxing power</u>*. See "SECURITY FOR The 2023 Bonds."

<u>Net Pledged Revenues</u>. The 2023 Bonds are payable solely out of and secured by an irrevocable pledge of certain income derived from: (i) the gross fees collected from students attending the Universities, which fees are commonly designated as the General Fund Fee, the Capital Improvement Fee, the General Improvement Fee and the Student Union Capital Improvement Fees (collectively, the "Student Fees"), (ii) the gross revenues derived from or otherwise pertaining to the operation of certain special event facilities located on the UNLV campus (known as the Thomas and Mack Center and the Cox Pavilion), the operation of all

System-owned student housing facilities, dining facilities and parking facilities, whether or not presently existing, situated on the campus of UNLV, after the deduction of the expenses of operation and maintenance of such facilities (other than salaries and the costs of utility services) (collectively, the "UNLV Facilities Revenues"), (iii) the gross revenues derived from or otherwise pertaining to the operation of all System-owned student housing facilities, dining facilities and parking facilities, whether or not presently existing, situated on the campus of UNR, after the deduction of the expenses of operation and maintenance of such facilities (other than salaries and the costs of utility services) (collectively, the "UNR Facilities Revenues"), and (iv) all grants, conditional or unconditional, from the United States of America, the State of Nevada, or any other donor for the payment of the 2023 Bonds, if any (the "Grant Revenues") (collectively, the "Net Pledged Revenues"). *Other funds of the Universities, including tuition and summer school fees, are not pledged to pay the 2023 Bonds*. See "SECURITY FOR The 2023 BONDS – Student Fees." Only non-resident students are charged tuition in addition to a registration fee. See "THE SYSTEM – Tuition."

Parity Bonds. As of March 1, 2023, the System has outstanding $352,410,000 aggregate principal amount of bonds with a lien on the Net Pledged Revenues that is on a par with the lien thereon of the 2023 Bonds (the "Prior Parity Bonds"). The following table illustrates the outstanding Prior Parity Bonds before taking the issuance of the 2023 Bonds into account.

Outstanding Prior Parity Bonds(1)

Name of Issue	Amount Outstanding
Universities Revenue Bonds, Series 2013A (the "2013A Bonds")	$25,550,000
Universities Revenue Bonds, Series 2013B (the "2013B Bonds")	69,720,000
Universities Revenue Bonds, Series 2014A (the "2014A Bonds")	38,885,000
Universities Revenue Bonds, Series 2015A (the "2015A Bonds")	54,660,000
Universities Revenue Bonds, Series 2015B (the "2015B Bonds")	3,190,000
Universities Revenue Bonds, Series 2016A (the "2016A Bonds")	50,835,000
Universities Revenue Bonds, Series 2016B (the "2016B Bonds")	10,925,000
Universities Revenue Crossover Refunding Bonds, Series 2017A (the "2017A Bonds")	24,210,000
Universities Revenue Bonds, Series 2019A (the "2019A Bonds")	17,965,000
Universities Revenue Refunding Bonds, Series 2021 (the "2021 Bonds")	34,565,000
Universities Revenue Bonds, Series 2021 (the "2022 Bonds")	21,905,000
TOTAL	$352,410,000

(1) Does not reflect the issuance of the 2023 Bonds including the impact of the Refunding Project on the outstanding 2013A Bonds and 2013B Bonds.

Source: The System.

The Prior Parity Bonds and the 2023 Bonds will be on a parity with any additional bonds of the System issued with a parity lien on the Net Pledged Revenues (collectively with the Prior Parity Bonds and the 2023 Bonds, the "Parity Bonds"). See "SECURITY FOR The 2023 BONDS – Additional Bonds" and "DEBT STRUCTURE – Authorized but Unissued Obligations."

Additional Bonds. The System has covenanted not to issue any additional bonds having a lien on the Net Pledged Revenues prior or superior to that of the Parity Bonds. Additional bonds or other obligations having a lien on the Net Pledged Revenues on a parity with the Parity Bonds ("Additional Parity Bonds") or having a lien thereon which is subordinate to the lien of the Parity Bonds may be issued upon certain conditions set forth in the resolutions authorizing the issuance of the Parity Bonds or any subordinate lien bonds. See "SECURITY FOR THE BONDS – Additional Bonds" and Appendix C – Summary of Certain Provisions of the Bond Resolution. See "DEBT STRUCTURE – Authorized but Unissued Obligations and – Contemplated Projects for the Universities" for a description of the System's plans for issuance of other Additional Parity Bonds as well as a description of the current legal limitations on the issuance of Additional Parity Bonds.

Other Outstanding Obligations. The System has outstanding other obligations that are payable from any legally available System revenues (which may include Net Pledged Revenues remaining after the payment of the Parity Bonds). These include (i) numerous promissory notes issued pursuant to various loan agreements (collectively, the "Notes"); (ii) the System's Certificates of Participation, Series 2014A (the "2014A Certificates"); (iii) the System's Certificates of Participation, Series 2016A (the "2016A Certificates"); (iv) the System's Certificates of Participation, Series 2016B (the "2016B Certificates"; (v) the System's Certificates of Participation, Series 2017A (the "2017A Certificates"); (vi) the System's Certificates of Participation, Series 2018A (the "2018A Certificates"); and (vii) the System's Certificates of Participation, Series 2020A (the "2020A Certificates"), and together with the 2014A Certificates, the 2016A Certificates, the 2016B Certificates, the 2017A Certificates and the 2018A Certificates, the "Outstanding Certificates"). However, none of these obligations has a lien on the Net Pledged Revenues or any other System revenues. See "DEBT STRUCTURE – Other Obligations of the System."

Professionals

Sherman & Howard L.L.C., Reno and Las Vegas, Nevada has acted as Bond Counsel and also has acted as Special Counsel to the System in connection with preparation of this Official Statement. The fees of Sherman & Howard L.L.C. are not contingent upon the delivery of the 2023 Bonds and will be paid at closing from 2023 Bond proceeds. The System's Municipal Advisor in connection with the 2023 Bonds is JNA Consulting Group, LLC, Boulder City, Nevada. See "MUNICIPAL ADVISOR." The financial statements in Appendix A of this Official Statement have been audited by Grant Thornton LLP, certified public accountants, San Jose, California, as stated in their report appearing herein. The audited financial statements of the System are public documents and pursuant to State law, no consent from the auditors is required to be obtained prior to inclusion of the audited financial statements in this Official Statement. See "INDEPENDENT ACCOUNTANTS." U.S. Bank National Association, Phoenix, Arizona, will act as the registrar and paying agent (the "Registrar" and "Paying Agent") for the 2023 Bonds and also will act as the Escrow Agent in connection with the Refunding

Project. Causey, Demgen & Moore, Inc., certified public accountants, Denver, Colorado, will prepare a report as to the sufficiency of the Escrow Account to implement the Refunding Project and other matters. See "SOURCES AND USES OF FUNDS – The Refunding Project – Verification of Mathematical Computations."

Continuing Disclosure Undertaking

The System will execute a continuing disclosure certificate (the "Disclosure Certificate") at the time of the closing for the 2023 Bonds. The Disclosure Certificate will be executed for the benefit of the beneficial owners of the 2023 Bonds and the System will covenant in the Bond Resolution to comply with its terms. The Disclosure Certificate will provide that so long as the 2023 Bonds remain outstanding, the System will provide the following information to the Municipal Securities Rulemaking Board ("MSRB") through the Electronic Municipal Market Access ("EMMA") system: (i) annually, certain financial information and operating data; and (ii) notice of the occurrence of certain specified events; all as more particularly described in the Disclosure Certificate. The form of the Disclosure Certificate is attached hereto as Appendix F. In the last five years, the System has not failed to materially comply with any undertakings made pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the "Rule").

Tax Matters

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the 2023 Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the 2023 Bonds (the "Tax Code") and interest on the 2023 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b) of the Tax Code. See "however, to the extent such interest is included in calculating the "adjusted financial statement income" of "applicable corporations" (as defined in Sections 56A and 59(k), respectively, of the Tax Code), such interest is subject to the alternative minimum tax applicable to those corporations under Section 55(b) of the Tax Code for tax years beginning after December 31, 2022. TAX MATTERS – Federal Tax Matters."

Under the laws of the State in effect as of the date of delivery of the 2023 Bonds, the 2023 Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS. See "TAX MATTERS – State Tax Exemption."

Additional Information

<u>This introduction is only a brief summary of the provisions of the 2023 Bonds and the Bond Resolution; a full review of the entire Official Statement should be made by potential investors</u>. Brief descriptions of the System, the Board, the Refunding Project, the Net Pledged Revenues, the 2023 Bonds and the Bond Resolution are included in this Official Statement. All references herein to the 2023 Bonds, the Bond Resolution and other documents or statutes are qualified in their entirety by reference to such documents and all capitalized terms used herein which are not defined have the meanings given such terms in the Bond Resolution. *This Official Statement speaks only as of its date, and the information contained herein is subject to change.*

Copies of the Bond Resolution, the other documents and additional information may be obtained from the System and the Municipal Advisor at the following addresses:

Nevada System of Higher Education
Attn: Chief Financial Officer
2601 Enterprise Road
Reno, NV 89512
Telephone: (775) 784-4901

JNA Consulting Group, LLC
410 Nevada Way
Suite 200
Boulder City, NV 89005
Telephone: (702) 294-5100.

CERTAIN RISK FACTORS

The purchase of the 2023 Bonds involves special risks and the 2023 Bonds may not be appropriate investments for all types of investors. Each prospective investor is encouraged to read this Official Statement in its entirety and to give particular attention to the factors described below, which, among other factors discussed herein, could affect the payment of the 2023 Bonds and could affect the market price of the 2023 Bonds to an extent that cannot be determined at this time. *The following does not purport to be an exhaustive or definitive listing of risks and other considerations which may be relevant to investing in the 2023 Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of such risks. There can be no assurance that other risk factors not discussed herein will not become material in the future*.

No Mortgage or Lien Interests Secure the 2023 Bonds

The 2023 Bonds are not secured by any encumbrance, mortgage or other pledge of property of the System or the Board, except for the Net Pledged Revenues and any moneys pledged in the future for payment of the 2023 Bonds. For a discussion of existing liens on the Net Pledged Revenues, see "DEBT STRUCTURE."

Future Capital Expenditures; Additional Bonds

The System's future capital expenditures may be funded by additional borrowings. Although such expenditures are largely discretionary, the failure to continue capital expenditures could result in a loss of competitive position. It is likely that the System will issue Additional Parity Bonds to fund capital expenditures in the future. See "DEBT STRUCTURE – Authorized but Unissued Obligations."

The System may issue Additional Parity Bonds at any time legal requirements are met. Upon the satisfaction of all legal requirements, including sufficient authorization by the Legislature (defined below) for issuance of Additional Parity Bonds, the System also may refund outstanding Notes and the Outstanding Certificates, which do not currently have a lien on the Net Pledged Revenues, as Additional Parity Bonds. Issuance of Additional Parity Bonds will dilute the Net Pledged Revenues available to pay debt service on the 2023 Bonds and the Prior Parity Bonds. See "DEBT STRUCTURE – Contemplated Projects for the Universities."

Risks Related to System Operations

The ability of the System to meet its payment obligations will depend upon the continued availability to the System of revenues from a variety of sources sufficient to meet such obligations, the System's operating expenses, debt service on other debt, extraordinary costs or expenses which may occur and other costs and expenses. Revenues and expenses of the System will be affected by future events and conditions relating generally to, among other things, the ability of the System to provide educational programs to attract and retain sufficient numbers of students during the time that the 2023 Bonds remain outstanding, demographic changes that may affect the number of students, particularly traditional students, who will be attracted to and enroll at the System's institutions, the ability of the Board to direct and the System's administration to manage and operate the System, the System's ability to control expenses, the System's ability to maintain or increase rates for tuition and registration fees without adversely affecting enrollment, the ability of the System to maintain adequate physical plant to house its programs; the ability of the System to attract and retain quality faculty members for its educational programs, the investment of the System's endowment and other funds, the ability of the System to solicit and obtain future gifts and bequests, governmental assistance for student financial aid, and grants and contracts from governmental bodies, agencies and others. No assurances can be given that these or other sources of revenues will be adequate to meet the expenses of the System while the 2023 Bonds are outstanding.

Admission and Enrollment Trends. The 2023 Bonds and the Prior Parity Bonds primarily are secured by the Student Fees and other Net Pledged Revenues; those revenue sources are dependent upon student enrollment figures. Accordingly, any circumstances that significantly reduce the number of students at the Universities may negatively impact Net Pledged Revenues and the ability of the System to pay debt service on its outstanding bonds.

Increasing Need for Financial Aid. The System operates in a competitive market for students with other educational institutions. As registration fees and tuition costs have risen, so has the demand for financial aid. The System expects that students will require more financial aid than past populations. The System staff expects that it will continue to have to balance its rate of increase in tuition and fees and financial aid needs in the future in order to attract sufficient numbers of qualified students. See "SECURITY FOR The 2023 BONDS – Student Fees – Student Registration Fees," "THE SYSTEM – Student Body" and "Student Financial Aid."

System Appropriation. A significant portion of System revenues comes from amounts appropriated by the State Legislature (the "Legislature"). Amounts appropriated by the Legislature are critical to the continuing operation of the System's programs and facilities. See "SYSTEM FINANCIAL INFORMATION – Budget." Should the Legislature significantly cut amounts appropriated to the System in the future, it may not be able to maintain facilities and programs that attract prospective students. Should that occur, the amount of Net Pledged Revenues may be negatively impacted.

Future Conditions are Uncertain; Sequestration. Future revenues and expenses of the System will be subject to conditions which may differ from current conditions to an extent that cannot be determined at this time. Descriptions of the System's operations and other factors that will affect the System's ability to meet its payment obligations under the Bond Resolution are contained in "THE SYSTEM" and "SYSTEM FINANCIAL INFORMATION."

For example, the System, like other governmental entities, is subject to developments at the federal level with respect to the Budget Control Act of 2011 ("sequestration") which requires spending cuts. Federal funding to the System for research and other grants will be reduced by the percentage included in the executive order implementing sequestration. Under a federal budget bill enacted in August 2015, the sequestration reduction will continue through federal fiscal year 2029. The sequestration reduction rate remains subject to change should additional laws be enacted which impact the sequester.

The laws described above and other federal laws presently in effect or enacted in the future may require the expenditure of funds on programs without necessarily providing sufficient resources (in the form of federal grants or otherwise) to pay for the mandates of those requirements. The System cannot predict the ultimate effect of this federal legislation on the System.

Future Changes in Laws or Regulations

Various State laws, regulations and constitutional provisions apply to the imposition, collection, and expenditure of System revenues and the operation and finances of the System. There is no assurance that there will not be any change in, interpretation of, or addition to the applicable laws, provisions, and regulations which would have a material effect, directly or indirectly, on the operations or affairs of the System, the imposition, collection, and expenditure of its revenues or its various programs. See "SYSTEM FINANCIAL INFORMATION."

Limitations on Remedies Available to 2023 Bond Owners

No Acceleration. There is no provision for acceleration of maturity of the principal of the 2023 Bonds in the event of a default in the payment of principal of or interest on the 2023 Bonds. Consequently, remedies available to the owners of the 2023 Bonds may have to be enforced from year to year.

Bankruptcy, Federal Lien Power and Police Power. The enforceability of the rights and remedies of the owners of the 2023 Bonds and the obligations incurred by the System in issuing the 2023 Bonds are subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; the power of the federal government to impose liens in certain situations; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose.

Bankruptcy proceedings or the exercise of powers by the federal or State government, if initiated, could subject the owners of the 2023 Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights. The various legal opinions to be delivered concurrently with the delivery of the 2023 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by the valid exercise of the sovereign powers of the State, and the constitutional powers of the United States of America, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Judicial Limitations on Enforcement. The remedies available to the owners of 2023 Bonds upon an event of default under the Bond Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies provided in the Bond Resolution may not be readily available or may be limited.

Other Potential Limitations on Rights of 2023 Bond Owners. The 2023 Bonds are secured by a pledge of and a lien on the Net Pledged Revenues on a parity with the lien thereon of the Prior Parity Bonds and any Additional Parity Bonds. That lien is intended to be prior to any other security interest in, lien on or pledge of the Net Pledged Revenues. However, in addition to the limitations discussed above, that lien may be subject to or limited by other factors, including without limitation statutory liens, and rights arising in favor of the United States of America or any agency thereof (including federal tax liens or other federal liens existing in the future).

Forward-Looking Statements

This Official Statement, particularly (but not limited to) any sections discussing expected or interim financial results of the System or the State for fiscal year 2023 or amounts budgeted for fiscal year 2023 (or future fiscal years) and the sections entitled "CERTAIN RISK FACTORS," "SOURCES AND USES OF FUNDS," "SYSTEM FINANCIAL INFORMATION – Budget" and Appendix B – State Financial, Economic And Demographic Information – Certain Financial Information-State General Fund and – Recent and Current State Budgets, contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "forecast," "intend," "expect" and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward looking statements and actual results. Those differences could be material and could impact the availability of funds to pay debt service on the 2023 Bonds.

Secondary Market

No assurance can be given that a secondary market for the 2023 Bonds will be maintained by the successful bidder for the 2023 Bonds (the "Initial Purchaser") or by any other entity. Prospective purchasers of the 2023 Bonds should therefore be prepared to bear the risk of the investment represented by the 2023 Bonds to maturity.

SOURCES AND USES OF FUNDS

Sources and Uses of Funds

The sources and uses of funds are set forth in the following table.

Sources and Uses of Funds

	Amount
SOURCES:	
Principal amount	$77,285,000
Original issue premium	9,933,297
System cash contribution	1,127,000
Total	$88,345,297
USES:	
The Refunding Project	$87,914,788
Costs of issuance (including underwriter's discount)	430,509
Total	$88,345,297

Source: The Municipal Advisor.

The Refunding Project

A portion of the 2023 Bond proceeds will be used to currently refund the following 2013A Bonds (collectively, the "2013A Refunded Bonds").

Maturing (July 1)	Principal Amount	CUSIP (641496)	Redemption Price
2024	$1,750,000	HA5	100%
2025	1,860,000	HB3	100
2026	960,000	HC1	100
2027	985,000	HD9	100
2028	1,010,000	HE7	100
2029	1,050,000	HF4	100
2030	3,835,000	HG2	100
2031	3,985,000	HH0	100
2032	4,150,000	HJ6	100
2033	4,295,000	HK3	100

A portion of the 2023 Bond proceeds will be used to currently refund the following 2013B Bonds (collectively, the “2013B Refunded Bonds,” and together with the 2013A Refunded Bonds, the “2013 Refunded Bonds”).

Maturing (July 1)	Principal Amount	CUSIP (641496)	Redemption Price
2024	$7,060,000	HW7	100%
2025	7,420,000	HX5	100
2026	7,155,000	HY3	100
2027	7,505,000	HZ0	100
2028	7,885,000	JA3	100
2029	8,205,000	JB1	100
2030	8,540,000	JC9	100
2031	1,705,000	JD7	100
2032	1,770,000	JE5	100
2033	1,840,000	JF2	100
2034	1,915,000	JG0	100
2035	1,995,000	JH8	100

To accomplish the Refunding Project, the System will deposit a portion of the 2023 Bond proceeds, along with a cash contribution, into an escrow account established for the refunding of the 2013 Refunded Bonds (the “Escrow Account”) pursuant to an Escrow Agreement dated as of the date of delivery of the 2023 Bonds between the System and the Escrow Agent (the “Escrow Agreement”). Pursuant to the Escrow Agreement, the amount deposited into the Escrow Account will be invested in federal securities maturing at such times and in such amounts as are required to pay, together with an initial cash balance, the principal of and accrued interest thereon of the 2013 Refunded Bonds upon prior redemption on July 1, 2023.

Verification of Mathematical Computations. The accuracy of the mathematical computations of the adequacy of the maturing principal of and interest on the federal securities and cash deposited in the Escrow Account to provide for the payment of the principal and interest with respect to the Refunded Bonds upon prior redemption, which computations support the conclusion of the Bond Counsel that the 2023 Bonds are not “arbitrage bonds” under Section 148 of the Tax Code, will be verified by Causey, Demgen & Moore, Inc., independent certified public accountants, Denver, Colorado.

THE 2023 BONDS

General

The 2023 Bonds will be issued as fully registered bonds in denominations of $5,000 and any integral multiple thereof. The 2023 Bonds will be dated as of their date of delivery and will mature and bear interest as set forth on the inside cover page of this Official Statement. The 2023 Bonds initially will be registered in the name of “Cede & Co.,” as nominee for DTC, the securities depository for the 2023 Bonds. Purchases of the 2023 Bonds are to be made in book-entry only form. Purchasers will not receive certificates evidencing their beneficial ownership interest in the 2023 Bonds. See “Book-Entry Only System” below.

Payment Provisions

Interest on the 2023 Bonds is payable on January 1 and July 1 of each year, commencing July 1, 2023. Interest will be paid by the Paying Agent on or before the interest payment date (or if such day is not a business day, on the next succeeding business day) to the person in whose name each 2023 Bond is registered (*i.e.*, Cede & Co.) on the 15th day of the calendar month preceding the interest payment date (the "Regular Record Date") as described below, at the address shown on the registration records maintained by the Paying Agent as of the close of business on the Regular Record Date. However, if there is a default in payment or provision of interest due with respect to a 2023 Bond on any interest payment date, such interest thereafter will be paid to the registered owner of such 2023 Bond as of a special record date (the "Special Record Date") to be established by the Registrar whenever moneys become available for payment of the defaulted interest. Such Special Record Date shall be fixed by the Paying Agent whenever monies become available for payment of the defaulted interest, and notice of the Special Record date shall be given to the registered owners of the 2023 Bonds not less than ten days prior thereto electronically or otherwise to each such registered owner as shown on the Registrar's registration records on a date selected by the Registrar, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. Principal of the 2023 Bonds will be payable at maturity or upon prior redemption at the principal operations office of the Paying Agent (or at such other office designated by the Paying Agent) upon presentation and surrender thereof. Any 2023 Bond not paid upon presentation and surrender at or after maturity or prior redemption shall continue to draw interest at the rate stated in the 2023 Bond until the principal is paid in full. All such payments of principal and interest shall be made in lawful money of the United States of America. Payments to beneficial owners are to be made as described below in "Book-Entry Only System."

Notwithstanding the foregoing, payments of the principal and interest on the 2023 Bonds will be made directly to DTC or its nominee, Cede & Co., by the Paying Agent, so long as DTC or Cede & Co. is the registered owner of the 2023 Bonds. Disbursement of such payments to DTC's Participants (defined in Appendix D) is the responsibility of DTC, and disbursements of such payments to the Beneficial Owners (defined in Appendix D) is the responsibility of DTC's Participants and the Indirect Participants (defined in Appendix D), as more fully described herein. See "Book-Entry Only System" below.

Prior Redemption

Optional Redemption. The 2023 Bonds (or portions thereof in the amount of \$5,000 or any integral multiple thereof), maturing on and after July 1, 2034, will be subject to redemption prior to their respective maturities, at the option of the System, on and after July 1, 2033, in whole or in part at any time from such maturities selected by the Chief Financial Officer and, if less than all of the 2023 Bonds of a maturity are to be redeemed, the 2023 Bonds of such maturity are to be redeemed by lot, at a price equal to the principal amount of each 2023 Bond, or portion thereof so redeemed, plus accrued interest thereon to the redemption date, without premium.

Redemption Procedures. Unless waived by any registered owner of a 2023 Bond to be redeemed, notice of prior redemption shall be given by the Registrar, electronically or otherwise, at least 20 days but not more than 60 days prior to the Redemption Date, to the

Municipal Securities Rulemaking Board (the "MSRB"), the registered owner of any 2023 Bond (initially Cede & Co.) all or a part of which is called for prior redemption at his address as it last appears on the registration records kept by the Registrar. The notice shall identify the 2023 Bonds and state that on such date the principal amount thereof will become due and payable at the Paying Agent (accrued interest to the Redemption Date is payable by mail as described above or as otherwise provided in the Bond Resolution), and that after such Redemption Date interest will cease to accrue. After such notice and presentation of said 2023 Bonds, the 2023 Bonds called for redemption will be paid. Actual receipt of mailed notice by the MSRB and any registered owner of 2023 Bonds shall not be a condition precedent to redemption of such 2023 Bonds. Failure to give such notice by mailing to the MSRB and the registered owner of any 2023 Bond designated for redemption, or any defect therein, shall not affect the validity of the proceedings for the redemption of any other 2023 Bond.

Notwithstanding the foregoing, any notice of redemption may contain a statement that the redemption is conditioned upon the receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the 2023 Bonds so called for redemption, and that if such funds are not available, such redemption shall be canceled by written notice to the owners of the 2023 Bonds called for redemption in the same manner as the original redemption notice was mailed.

Tax Covenant

The System covenants for the benefit of the holders of the 2023 Bonds that it will not take any action or omit to take any action with respect to the 2023 Bonds, the proceeds thereof, any other funds of the System, or any facilities financed or refinanced with the proceeds of the 2023 Bonds if such action or omission would (i) cause interest on the 2023 Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code or (ii) cause interest on the 2023 Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b) of the Tax Code. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the 2023 Bonds until the date on which all obligations of the System in fulfilling the above-described covenant have been met. The System makes no covenant with respect to taxation of interest on the 2023 Bonds as a result of the inclusion of that interest in the "adjusted financial statement income" of "applicable corporations" (as defined in Sections 56A and 59(k), respectively, of the Tax Code).

Defeasance

When all Bond Requirements of any 2023 Bond or any other securities of any other issue payable from Net Pledged Revenues have been duly paid, the pledge and lien and all obligations hereunder shall thereby be discharged as to such issue of securities and they shall no longer be deemed to be Outstanding within the meaning of the Bond Resolution. There shall be deemed to be such due payment if the System has placed in escrow or in trust with a trust bank exercising trust powers, an amount sufficient (including the known minimum yield available for such purpose from Federal Securities (defined in Appendix C) in which such amount wholly or in part may be initially invested) to meet all Bond Requirements (defined in Appendix C) of the securities issue, as such requirements become due to the fixed maturity dates of the securities or to any Redemption Date or Redemption Dates as of which the System shall have exercised or shall have obligated itself to exercise its prior redemption option by a call of the securities thereafter maturing for payment then. The Federal Securities shall become due prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the System and such bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure such availability as so needed to meet such schedule. If at any time the System has so placed in escrow or trust any amount so sufficient to pay designated Bond Requirements of securities constituting less than all of the Bond Requirements of the securities becoming due on and before their respective due dates, be they the fixed maturity dates of the securities or any such Redemption Date pertaining to the securities, such designated Bond Requirements shall be deemed paid and discharged under the Bond Resolution.

Book-Entry Only System

The 2023 Bonds will be available only in book-entry form in the principal amount of $5,000 and any integral multiples thereof. DTC will act as the initial securities depository for the 2023 Bonds. The ownership of one fully registered 2023 Bond for each maturity, as set forth on the inside cover page of this Official Statement, in the aggregate principal amount of such maturity, will be registered in the name of Cede & Co., as nominee for DTC. See Appendix D – Book-Entry Only System.

SO LONG AS CEDE & CO, AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE 2023 BONDS, REFERENCES IN THIS OFFICIAL STATEMENT TO THE REGISTERED OWNERS WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

Neither the System nor the Registrar/Paying Agent will have any responsibility or obligation to DTC's Direct Participants or Indirect Participants (defined herein), or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the Direct Participants, the Indirect Participants or the beneficial owners of the 2023 Bonds as further described in Appendix D to this Official Statement.

SECURITY FOR THE 2023 BONDS

Special, Limited Obligations

The 2023 Bonds are special, limited obligations of the System payable solely from and secured by a prior lien on the Net Pledged Revenues. The 2023 Bonds will not be considered or held to be a general obligation of the Board or the System or a debt or obligation of the State, nor do they constitute an indebtedness or a debt within the meaning of any constitutional or statutory provision or limitation.

Net Pledged Revenues

The 2023 Bonds are payable solely from and are secured by an irrevocable pledge of the Net Pledged Revenues, comprised of certain income derived from (i) Student Fees (which do not include tuition payable by nonresident students, any fees collected during summer sessions, certain registration fees, or fees collected at the Community Colleges or Nevada State College), which fees are commonly designated as the General Fund Fee, the Capital Improvement Fee, the Student Union Capital Improvement Fee and the General Improvement Fee, (ii) the UNLV Facilities Revenues, (iii) the UNR Facilities Revenues, and (iv) the Grant Revenues. The primary Net Pledged Revenue categories are discussed below.

Student Fees

Student Registration Fees. Both resident and nonresident students must pay registration fees that are established by the Board annually. The Board's current policy (which may be changed at any time) is to set the increase in tuition and fees to at least the most recent Higher Education Price Index available for each year of the biennium. Additional factors are considered when setting professional school tuition and fees. There is no legal limit on the Board's ability to raise fees and tuition. The Board's current policy (which may be changed at any time) is to give certain in-state and out-of-state students grants-in-aid waivers of certain of the Student Fees for up to 3% of the enrollment for the prior fall semester. The Board historically has not provided grants-in-aid funding for the full 3% allowed by the policy.

The Board imposes numerous fees in addition to those listed below, such as technology and student services fees; the proceeds of those fees are not included in Net Pledged Revenues. The Universities currently use student fee revenues to fund a variety of programs and services. Should the amount of student fee revenues decline significantly for any reason, programs and services at the Universities may be reduced.

The following table sets forth a five-year history of the regular (resident) student registration fees assessed per credit hour for full-time undergraduate and graduate students at both UNR and UNLV. These fees are approved by the Board; however, the internal allocation of certain fees is approved at the campus level. This table does not include special registration fees imposed by the Board (such as the special registration fees for technology and student services discussed in the previous paragraph).

Student Registration Fees Per Credit Hour Per Semester[1]

UNDERGRADUATE FULL-TIME	2018-19	2019-20	2020-21[5]	2021-22	2022-23
University of Nevada-Reno					
General Fund	$154.56	$160.77	$167.15	$171.80	$176.65
Capital Improvement[2]	16.00	16.00	20.00	20.00	20.00
General Improvement	16.02	15.30	10.54	10.54	10.31
Activities and Program Fund[3]	10.64	10.64	10.64	10.64	10.64
Student Access[3]	26.78	30.29	33.92	36.02	38.40
	$224.00	$233.00	$242.25	$249.00	$256.00
University of Nevada, Las Vegas					
General Fund	$152.61	$159.38	$163.91	$168.65	$173.60
Capital Improvement	13.00	13.00	13.00	13.00	13.00
General Improvement	22.6	20.00	20.00	21.00	22.00
Activities and Program Fund[4]	7.00	8.00	9.00	9.00	9.00
Student Access[3]	28.73	32.62	36.34	37.35	38.40
	$224.00	$233.00	$242.25	$249.00	$256.00
GRADUATE FULL-TIME					
University of Nevada-Reno					
General Fund	$195.42	$202.88	$211.05	$216.91	$222.94
Capital Improvement[2]	16.00	16.00	20.00	20.00	20.00
General Improvement	11.37	10.92	5.79	5.51	4.57
Activities and Program Fund	8.80	8.40	7.97	7.97	7.97
Student Access[3]	33.16	37.15	41.62	44.00	47.10
Student Association[3]	10.00	10.40	10.82	11.11	11.42
	$274.75	$285.75	$297.25	$305.50	$314.00
University of Nevada, Las Vegas					
General Fund	$192.54	$203.75	$209.66	$216.68	$222.90
Capital Improvement	13.00	13.00	13.00	13.00	13.00
General Improvement	25.21	20.00	20.00	21.00	22.00
Activities and Program Fund[4]	7.96	9.00	10.00	9.00	9.00
Student Access[3]	36.04	40.00	44.59	45.82	47.10
	$274.75	$285.75	$297.25	$305.50	$314.00

(1) Full time status constitutes seven or more credits.
(2) The Capital Improvement Fee at UNR includes $1 that is allocable to the Student Union Capital Improvement Fee.
(3) These student fees do not constitute Net Pledged Revenues.
(4) The Activities and Program Fund fee at UNLV includes amounts allocable to the Student Union Capital Improvement Fee (Undergraduate - $2.23 and Graduate - $0.96). The remainder of these student fees do not constitute Net Pledged Revenues.
(5) Effective for academic year 2020-21, a $6.00 per credit (undergraduate) and $8.00 per credit (graduate) surcharge was approved by the Board. Revenues derived from the surcharge do not constitute Net Pledged Revenues.

Source: The System.

Fee Policies. Registration fees are generally payable upon registration for the fall and spring semesters. Deferred payment contracts are applicable for registration fees (which include Student Fees), tuition, room and board cost and discounted fees. Each institution shall determine the student requirements and the minimum balance threshold for deferred payment and whether other fees may be deferred. UNR has a minimum balance threshold of $500 and UNLV requires that students be registered for at least seven credits. Additional fees, such as special course fees, student health center fee, ebook fees, and accident and health insurance fees are not deferrable. Each institution determines the number of deferred payment installments that can be made throughout the semester; all deferred amounts must be paid no later than the end of the 10th week of instruction. There is a fee for deferment of tuition ($50 at UNR and $45 at UNLV) plus a penalty of 10% charged on the deferred balance not paid by the due date. The Board has adopted a partial rebate program for employees who are activated to service in the U.S. armed forces and has adopted a waiver program for members of the National Guard. The Board or the Legislature may approve additional fee waiver programs at any time.

UNR and UNLV both have policies (which are subject to change) addressing the refund of fees. UNLV permits 100% of fees to be refunded for withdrawals and net credit load reductions completed within the first week of the beginning of instruction. For total withdrawals through the end of the sixth calendar week of instruction, a 50% refund of fees will be granted. No refund is generally granted thereafter. UNR permits 100% of fees to be refunded for withdrawals or net credit load reductions made on or before the last day of registration. For total withdrawals after the last day of registration and prior to the end of the sixth calendar week of instruction, a 50% refund of fees will be granted. No refund is generally granted thereafter.

UNLV Facilities Revenues

Special Event Facilities. The UNLV Facilities Revenues consist in part of gross revenues derived from or otherwise pertaining to the operation of UNLV's special event facilities after the deduction of expenses of operation and maintenance of those facilities (other than salaries and the costs of utility services). The special event facilities include Thomas and Mack and the Cox Pavilion. Thomas and Mack is a multi-purpose pavilion constructed on the UNLV campus in 1983. Thomas and Mack, which seats 18,500, houses many of the intercollegiate athletic offices as well as a portable basketball court and concession stands. Various sporting events, concerts, rodeos and miscellaneous University events are held in Thomas and Mack. The Cox Pavilion, which opened in the spring of 2001, is a 3,000-seat venue adjacent to Thomas and Mack. The Cox Pavilion houses UNLV's volleyball and women's basketball program. It is also used for academic functions, concerts, trade shows and other functions.

UNLV's special event facilities compete with certain private venues in the Las Vegas area to attract non-university events, such as concerts and certain sporting events. Additional private venues that compete with UNLV's special event facilities may be constructed in the future. If constructed, any such arena would compete directly with UNLV facilities, particularly Thomas and Mack. Thomas and Mack has remained competitive with other competing venues constructed over the past 30 years. However, to the extent that such venues offer more competitive pricing or amenities not offered at UNLV's venues in the future, rental activity at UNLV's special event facilities (and resulting facilities revenues) may decline or UNLV may determine to lower its rates, in which case UNLV Facilities Revenues may decline.

Student Housing and Dining Facilities. The UNLV Facilities Revenues also include gross revenues derived from or otherwise pertaining to the operation of all System-owned student housing and dining facilities, whether or not presently existing, situated on the campus of UNLV, after the deduction of the expenses of operation and maintenance of such housing and dining facilities (other than salaries and the cost of utility services). UNLV currently has twelve resident halls organized into four complexes and a separate dining commons. The residence halls have an aggregate capacity, based on the current configuration, of 1,706 students and can vary depending on single/double configurations and staff assignments. For the fall 2022 term, the residence halls had 1,584 student residents, an increase of 349 students or 28% from 1,235 residents in fall 2021. For fall 2022, students were charged between $2,700 and $2,940 for double occupancy rooms and between $2,165 and $2,756 per semester for board, depending on the meal plan chosen. Fall 2022 room and board fees were unchanged from fall 2021. In fall 2023 room fees are scheduled to increase by 6% and board fees are scheduled to increase by 4.3%.

UNLV collects the full charge at the beginning of the semester unless students have enrolled in a deferred payment plan which allocates payments monthly through the end of each semester. Customers who are not on-campus residents may use the dining facilities but are charged either a door rate, or a commuter meal plan rate depending on the number of meals purchased.

In 2015, the Board approved the purchase of the University Park Apartments (located on Maryland Parkway at Cottage Grove) and a ground lease to a private developer to design, finance, build and operate housing for UNLV for students that are not freshmen, in order to meet expected demand, and UNLV gave exclusive right to the developer to market this housing as owned by UNLV. However, UNLV has no contractual financial risk in the results of the operation of this housing. The redevelopment of the University Park Apartments has started and phase 1 is complete and opened in fall 2019. The phase 1 facility is configured with 758 beds covering about 40% of the entire property. The remaining legacy units are configured for 360 beds which were transitioned to the developer at the commencement of the ground lease, pending the continued development of remaining phases of the University Park property. The developer has begun planning for phase 2 of the project at a location immediately adjacent to the phase 1 facility. The design of this second facility generally matches the phase 1 facility. The development agreement allows for additional future phases after completion of the phase 2 project, including a possible phase 3 project initially planned at approximately 560 beds. The revenues generated by such new and legacy units are not part of the UNLV Facilities Revenues securing the 2023 Bonds.

Parking Facilities. The UNLV Facilities Revenues also include gross revenues derived from or otherwise pertaining to the operation of all University-owned parking facilities, whether or not presently existing, situated on the campus of UNLV, after the deduction of the expenses of operation and maintenance of such parking facilities (other than salaries and the cost of utility services). Currently, UNLV has 41 parking lots/structures of various sizes with 15,486 total parking spaces available. There are 36 parking lots/structures with 14,617 spaces on the Maryland Campus and 5 parking lots with 869 spaces on the Shadow Lane Campus. Parking fees are based upon status (*i.e.*, student, faculty/staff, resident in on-campus housing or vendor) and whether spaces are reserved. At its December 2020 meeting, the Board of Regents approved the reallocation of the proceeds of Bonds issued in 2019 for the expansion of the Tropicana

Garage parking structure. The expansion was completed in 2022 and added approximately 760 new parking spaces to the garage. However, a Clark County public works project affecting the Tropicana roadway is expected to result in a loss of approximately 300-400 surface parking spaces in the area of Tropicana and University Center Drive. This project is expected to begin in the fall of 2023. Annual parking fees for fall 2022 were $246 for students and $396 for faculty/staff. Rates increased for fall 2022 by $3 per month or $36 per year for all classifications.

UNR Facilities Revenues

Student Housing and Resident Dining Facilities. The UNR Facilities Revenues include gross revenues derived from or otherwise pertaining to the operation of all System-owned student housing and dining facilities, whether or not presently existing, situated on the campus of UNR, after the deduction of the expenses of operation and maintenance of such facilities (other than salaries and the cost of utility services). UNR has eight residence halls and a resident dining facility. The eight residence halls have a design capacity of 3,407 students. During the 2021 fall and 2022 spring term, the occupancy in the residence halls were at 91% and 87%, respectively.

For the 2022-23 academic year, students will be charged annual rates that are between $5,850 and $9,100 for room, depending upon the residence hall (double occupancy; single rooms and private double-sized rooms are more). For the 2022-23 academic year meal plan rates are between $4,644 and $5,996. Fifty-five percent of meal plan costs is payable in the fall and forty-five percent is payable in the spring. Several board plans and à la carte dining are available to all students.

Parking Facilities. The UNR Facilities Revenues also include gross revenues derived from or otherwise pertaining to the operation of all System-owned parking facilities, whether or not presently existing, situated on the campus of UNR, after the deduction of the expenses of operation and maintenance of such parking facilities (other than salaries and the cost of utility services). Currently, UNR has 8,414 total parking spaces available, including 811 spaces that were added when the new Gateway Parking Complex opened in January 2023. The Gateway Parking Complex is a 7-level structure with an ADA accessible pedestrian bridge extending the parking area south of the University. The new parking complex is expected to be at full capacity in the Fall of 2023. All parking facilities include permit-required spaces, motorcycle spaces, parking meters and visitor spaces. For the 2022-2023 academic year, 9,336 vehicle permits, including ADA, contractor, reserved and evening-permitted spaces were sold in six permitted parking zones with 7,561 spaces available 7,896 total parking spaces available, including permit-required spaces, motorcycle spaces, parking meters and visitor spaces. For the 2019-2020 academic year, 10,011 vehicle permits, including ADA, contractor, reserved and evening-permitted spaces were sold in six permitted parking zones with 7,561 spaces available. The parking spaces have fees generally based upon the zone for which a permit is purchased; zones are priced according to their proximity to certain campus buildings. Annual parking fees currently range from $159 to $599; permits for limited reserved spaces (available to the president, the provost, the deans and the vice presidents) are $742 per year. Motorcycle permits also are available for $63 per year. Visitor parking starts at $2.00 per hour.

Pro-Forma Debt Service Coverage

The following table shows Net Pledged Revenues and pro-forma debt service coverage on the Parity Bonds for each of the five fiscal years ending June 30, 2018 through June 30, 2022. Pro-forma debt service coverage is calculated by dividing the Net Pledged Revenues by the estimated Combined Maximum Annual Debt Service on the Parity Bonds (after taking issuance of the 2023 Bonds into account). *There is no assurance that Net Pledged Revenues, or any component thereof, will be generated at the levels indicated in this table in the future*. See "CERTAIN RISK FACTORS."

Five-Year Summary of Net Pledged Revenues and Debt Service Coverage(1)

	Fiscal Year Ended June 30				
STUDENT FEES	2018	2019	2020	2021	2022
UNR General Fund Fees	$73,654,183	$75,221,821	$79,281,100	$80,736,411	$80,532,492
UNLV General Fund Fees	94,947,332	98,671,911	104,863,036	110,301,365	110,881,206
UNR Capital Improvement and Student Union Capital Improvement Fees	7,845,255	7,711,676	7,768,861	9,521,985	9,494,066
UNLV Capital Improvement and Student Union Capital Improvement Fees	9,769,062	9,824,322	10,005,266	10,282,552	10,031,261
UNR General Improvement Fees	7,889,513	7,765,892	7,594,181	5,096,815	5,192,158
UNLV General Improvement Fees	14,886,063	14,991,142	13,336,223	13,613,562	13,913,830
Total Student Fees(2)	$208,991,408	$214,186,764	$222,848,667	$229,552,690	$230,045,013
UNLV FACILITIES REVENUES					
Special Event Facilities	$15,424,799	$16,136,876	$11,685,344	$5,797,898(5)	$6,691,246
Dining and Housing Facilities	7,344,294	6,958,257	6,557,003	8,357,395(5)	4,861,470
Parking Facilities(3)	4,375,978	4,480,807	3,346,869	2,863,370(5)	3,929,386
Total UNLV Facilities Revenues	$27,145,071	$27,575,940	$21,589,216	$17,018,663	$15,482,102
UNR FACILITIES REVENUES					
Dining and Housing Facilities	$14,326,305	$18,253,981	$16,368,459	$8,888,524	$18,413,078
Parking Facilities(3)	5,122,250	5,518,731	4,205,523	3,165,898	5,358,421
Total UNR Facilities Revenues	$19,448,555	$23,772,712	$20,573,982	$12,054,422	$23,771,499
NET PLEDGED REVENUES	$255,585,034	$265,535,416	$265,011,865	$258,625,775	$269,298,614
Estimated Combined Maximum Annual Debt Service-Parity Bonds(4)	$36,644,750	$36,644,750	$36,644,750	$36,644,750	$36,644,750
Coverage	6.97x	7.24x	7.23x	7.05x	7.35x

(1) Unaudited
(2) Year-to-year increases are primarily a result of increased General Fund Fees. See "Student Fees" above.
(3) Parking revenues include revenues from parking permit sales, meters and fines.
(4) The combined Maximum Annual Debt Service on the Parity Lien Bonds is $36,644,750* for the Bond Year ended July 1, 2023.
(5) For fiscal year 2021, includes reimbursements totaling $12,877,511 from federal sources due to losses incurred as a result of the outbreak of the COVID-19 pandemic.

Source: The System; compiled by the Municipal Advisor.

Additional Bonds

General. Upon issuance of the 2023 Bonds, the Prior Parity Bonds and the 2023 Bonds will be outstanding in the aggregate principal amount of $342,820,000. No Outstanding 2023 Bond or other securities heretofore or hereafter issued on a parity therewith has or will have any priority over any other such bond or security with respect to the application of Net Pledged Revenues regardless of the time or times of issuance of such bonds or securities.

The Board may issue Additional Parity Bonds and also may issue bonds or other obligations which are subordinate to the 2023 Bonds subject to the provisions of the Bond Resolution. See "Additional Parity Bonds" below and Appendix C – Summary of Certain Provisions of the Bond Resolution – Additional Securities. The System currently has authorization to issue additional obligations as described in "DEBT STRUCTURE – Authorized but Unissued Obligations." The Legislature may grant additional authorization at any time in the future.

Additional Parity Bonds. The System may issue Additional Parity Bonds upon satisfaction of the following conditions (except refunding bonds, which are subject to the requirements described in Appendix C – Summary of Certain Provisions of the Bond Resolution – Refunding Securities).

A. Absence of Default. At the time of the adoption of the instrument authorizing the issuance of the Additional Parity Bonds, the System shall not be in default in making any payments required by the Bond Resolution or the bond resolutions for the other Parity Bonds.

B. Earnings Test. (1) The Net Pledged Revenues derived for either the fiscal year immediately preceding, or any 12 consecutive months of the 18 months immediately preceding, the date of the issuance of the Additional Parity Bonds, shall have been sufficient to pay an amount at least equal to 150% of the combined maximum annual principal and interest requirements (excluding amounts payable by virtue of the System's exercise of a prior redemption option but taking into account mandatory sinking fund redemptions) to be paid during any one Bond Year ending on or before July 1, 2051, of the Outstanding Parity Bonds and the bonds or other securities proposed to be issued (excluding any reserves therefor), except as otherwise expressly provided in the Bond Resolution; and (2) the Net Pledged Revenues, excluding from those revenues the proceeds of the General Fund Fees and the General Improvement Fees pertaining to the Universities, derived for the fiscal year immediately preceding, or any 12 consecutive months of the 18 months immediately preceding, the date of the issuance of the additional parity securities, shall have been sufficient to pay an amount at least equal to 110% of the combined maximum annual principal and interest requirements to be paid during any one Bond Year ending on or before July 1, 2051, of the Outstanding Parity Bonds, and the securities proposed to be issued (excluding any reserves therefor), except as otherwise expressly provided in the Bond Resolution.

C. Adjustment of Net Pledged Revenues. (1) In any computation of the earnings test described in clause (2) of paragraph B above (but not in any computation of the earnings test described in clause (1) of paragraph B above) as to whether or not Additional Parity Bonds may be issued, the amount of the Net Pledged Revenues for the next preceding fiscal year shall be decreased and may be increased by the amount of loss or gain, respectively, estimated by the Chief Financial Officer (defined in Appendix C) resulting from any change in any Student Fees based on the number of full time students (or the equivalent thereof) during the next preceding fiscal year, as if the schedule of such modified Student Fees had been in effect during the entire next preceding fiscal year, if such change shall have been made by the Board prior to such computation of the designated earnings test but made in the same fiscal year as such computation or in the next preceding fiscal year.

(2) In addition, in any computation of the earnings test described in clause (2) of paragraph B above (but not in any computation of the earnings test described by clause (1) of paragraph B above), the amount of Net Pledged Revenues for the next preceding fiscal year may be increased by the revenues to be generated by the facilities constructed with the additional securities in the first fiscal year immediately succeeding the last fiscal year following the issuance of such additional parity securities in which interest on the additional parity securities is provided from the proceeds thereof as estimated by an independent consulting engineer or the Chief Financial Officer.

D. Adjustment of Expenses. In any computation of the earnings test described in clause (2) of paragraph B above (but not in any computation of the earnings test described in clause (1) of paragraph B above), there also shall be deducted from or added to the amount of any operation and maintenance expenses pertaining to any income-producing Facilities of the Universities and pertaining to any Net Pledged Revenues any estimated decrease or increase, respectively, in such expenses that will result from the expenditure of the funds to be derived from the issuance and sale of the additional bonds or other additional securities.

E. Reduction of Annual Requirements. In any computation of the earnings tests described in clauses (1) or (2) of paragraph B above, the respective annual Bond Requirements (including the amount of any prior redemption premiums due on any Redemption Date as of which the System shall have exercised or shall have obligated itself to exercise its prior redemption option) shall be reduced to the extent such Bond Requirements are scheduled to be paid in each of the respective Bond Years with monies held in trust or in escrow for that purpose by any trust bank within or without the State, including the known minimum yield from any investment in Federal Securities.

A written certification or written opinion by the Chief Financial Officer that such annual revenues, when adjusted as described in paragraphs C, D and E above, are sufficient to pay such amounts, as described in paragraph B above, shall be conclusively presumed to be accurate in determining the right of the System to authorize, issue, sell and deliver additional bonds or other additional securities on a parity with the 2023 Bonds.

Superior Securities Prohibited; Subordinate Securities Permitted. The System may not issue additional bonds or other securities having a lien on the Net Pledged Revenues that is superior to the lien thereon of the Parity Bonds.

The System may issue additional bonds or other securities payable from Net Pledged Revenues and having a lien thereon subordinate, inferior, junior to the lien thereon of the Parity Bonds in accordance with the Bond Resolution.

THE SYSTEM

General

The System. The University of Nevada was established as a body corporate and politic by the Nevada State Constitution in 1864, the year of the State's admission to the Union. The institution commenced as a preparatory school and began operation in Elko. In 1886, the campus was moved to Reno, the center of the State's population at the time, and college-level study formally began at the site of the UNR campus in 1887. In 1957, in order to meet the needs of population growth in the southern part of the State, the UNLV campus at Las Vegas was established. The DRI, established in 1959, primarily functions as an educational and scientific research division of the System. In 1969, in order to broaden the scope of higher educational opportunities within the State, the Legislature provided funding to the Board in order to develop and administer the Community Colleges. Beginning in January 1992, the System was known as the University and Community College System of Nevada. Effective in May 2005, the System was renamed to the "Nevada System of Higher Education."

The System is the only public institution of higher education in the State. The System is also the only public provider of post-secondary education. The System currently includes the two Universities, the DRI, the Community Colleges and Nevada State College.

The Universities. UNR and UNLV are fully accredited by the Northwest Commission on Colleges and Universities. In addition, numerous programs at each University are accredited by their national professional accrediting organizations. Both UNR and UNLV are members of many national professional associations. Both Universities were also recently recognized as Carnegie Classification R1 – very high research activity.

UNR offers 81 major fields of study leading to baccalaureate and 85 major fields of study leading to advanced degrees through academic departments in these colleges and schools: Agriculture, Biotechnology and Natural Resources; Business; Public Health Sciences; Education and Human Development; Engineering; Liberal Arts; Nursing; Science; Reynolds School of Journalism; Social Work and Graduate School. In addition, UNR offers degrees through the University of Nevada, Reno School of Medicine and fully online master's programs in Accountancy, Business Administration, Business Analytics, Cybersecurity, Equity and Diversity, Public Health and Social Work.

In 2022, Sierra Nevada University ("SNU") merged into UNR. Pursuant to such merger, SNU real property (including its Incline Village/Lake Tahoe campus) and endowments were gifted to the UNR Foundation and SNU programs and operations gradually merged with UNR. Sufficient unrestricted and liquid resources enabled SNU to assimilate into UNR without creating an unfunded operating liability for UNR.

UNLV offers more than 80 major fields of study leading to baccalaureate and nearly 120 major fields of study leading to advanced degrees through academic departments in these colleges and schools: Business; Education; Engineering; Fine Arts; Graduate College; Hospitality; Integrated Health Sciences; Liberal Arts; Nursing; Public Health; Sciences; and Urban Affairs. In addition, UNLV offers degrees through the William S. Boyd School of Law, the UNLV School of Dental Medicine and the Kirk Kerkorian School of Medicine at UNLV.

The Board of Regents

The governance of the System is vested by the State Constitution in the "Board of Regents," a body currently comprised of thirteen persons. Regents are elected by popular vote in the State's general elections for staggered terms of six years. Regents are subject to term limitations (12 years) approved by State voters in 1996. Each of the thirteen Regents must be a qualified elector of, and elected by the qualified electors of, each of the districts described in NRS Sections 396.040 through 396.046. Vacancies are filled by appointment of the Governor to a term that continues until the next general election. The Board makes all major System policy decisions, grants degrees and honors, approves administrative and faculty salaries, and appoints a chancellor to carry out specific duties prescribed by the Board. Regents currently receive $80 per day for each authorized meeting and are reimbursed for expenses incurred in performing their duties.

The current members of the Board, the date of expiration of their current terms and their principal occupations are as follows.

Regent	Title	Principal Occupation	Term Expires December 31
Mr. Byron Brooks, Henderson	Chair	Business Owner	2026
Mr. Joseph Arrascada, Reno	Vice Chair	Retired	2026
Mr. Patrick J. Boylan, Las Vegas	Member	Retired	2026
Ms. Susan Brager	Member	Realtor	2028
Ms. Heather Brown	Member	Nonprofit Organization President	2028
Ms. Amy J. Carvalho, Boulder City	Member	Business Owner	2024
Dr. Michelee Cruz-Crawford	Member	Educator	2028
Ms. Carol Del Carlo, Incline Village	Member	Retired	2024
Mr. Jeffrey S. Downs	Member	NSHE Employee	2028
Ms. Stephanie Goodman	Member	Nonprofit Organization Executive Dir	2028
Mr. Donald Sylvantee McMichael, Sr.	Member	Retired	2024
Ms. Laura E. Perkins, Las Vegas	Member	Retired	2024
Dr. Lois Tarkanian, Las Vegas	Member	Retired	2026

Administrative Officers

The Board appoints a Chancellor to administer the System and implement the Board's policies. The Board continually reviews all of the Board's policies and procedures, including procedures that delegate additional authority to the Chancellor. This action provides for a more streamlined, timely and cost-effective decision-making process. The president of each institution in the System reports to the Chancellor. The Chancellor serves at the pleasure of the Board and each president serves at the pleasure of the Chancellor.

The administrative officers and employees of the System who are most directly involved in the financial operation and general administration of the System and the operation and management of its facilities are as follows:

Dale Erquiaga – Acting Chancellor. The Nevada Board of Regents approved the selection of Mr. Erquiaga as the acting chancellor of the Nevada System of Higher Education beginning July 1, 2022. Mr. Erquiaga previously was the national president and CEO of Communities In Schools, the nation's largest dropout prevention organization. He also served as

Nevada's 27th superintendent of public instruction and as chief strategy officer for Nevada Governor Brian Sandoval. His earlier positions in government include executive director of government affairs, public policy, and strategic planning for the Clark County School District; director of the Nevada Department of Museums, Library & Arts; and chief deputy secretary of state. Chancellor Erquiaga's private sector experience includes operating his own consulting firm and working as vice president and managing director with an advertising firm in Nevada and Arizona. Mr. Erquiaga holds a bachelor's degree in political science from the University of Nevada, Reno, and a master's degree in leadership from Grand Canyon University. The Board commenced a nationwide search for a permanent chancellor in the first quarter of 2023. Mr. Erquiaga is not an applicant. The Board anticipates that the search may last until the third quarter of 2023.

Crystal Abba – Executive Vice Chancellor and Chief of Staff. Crystal Abba was appointed as the Executive Vice Chancellor and Chief of Staff in July 2022. Previously, she held the position of Vice Chancellor for Academic and Student Affairs since January 2012. Prior to her vice chancellor appointment, Ms. Abba was the Associate Vice Chancellor for Academic and Student Affairs. She began her career with the System in 2002 and has served in multiple positions including Assistant Vice Chancellor and Director of Public Policy. In her previous System roles, she worked closely with Nevada postsecondary leadership to identify and develop higher education policies and practices that meet the challenges of a changing State and the needs of its residents. Prior to joining the System, she worked in the Research Division of the Nevada Legislative Counsel Bureau for several legislative sessions as a policy analyst and committee staffer for both the Senate and Assembly Committees on Commerce and Labor. Ms. Abba received her bachelor's degree (with distinction) from UNR and her MBA from the University of Delaware.

Andrew Clinger – Chief Financial Officer. Andrew Clinger was appointed as the Chief Financial Officer in December 2018. Prior to his appointment, Mr. Clinger was the Senior Advisor to Nevada Governor Brian Sandoval. In his role as Senior Advisor Mr. Clinger provided counsel to the Governor on the state budget as well as economic development, education and workforce development issues. Mr. Clinger has nearly two decades of experience leading and managing both state and local government budgets and finances. Mr. Clinger served as the State Budget Director from January 2006 to June 2011. During this time Mr. Clinger served three different Nevada Governors and helped steer the State of Nevada through the most difficult economic time in the state's history. Mr. Clinger also served as the City Manager for the City of Reno. During his tenure at the City of Reno Mr. Clinger was tasked with guiding the City out of financial despair. As Reno City Manager he significantly reduced the City's debt and established fiscal policies and funding mechanisms to bring long term financial stability to the City of Reno. Mr. Clinger has a bachelor's degree from the University of Nevada, Reno in Business Administration.

Employees

As of November 1, 2022, UNLV employed approximately 4,691 faculty members and administrative personnel (3,139 full-time and 1,552 part-time) and approximately 949 classified employees (939 full-time and 10 part-time). As of November 1, 2022, UNR employed approximately 2,254 faculty members and administrative personnel (2,127 full-time and 127 part-time) and approximately 919 classified employees (859 full-time and 61 part-time).

Classified staff of the Universities are employed under the provisions of the State's personnel system. Classified staff of the Universities are employed under the provisions of the State's personnel system. Faculty and certain personnel employed in executive or administrative positions, however, are not included under the State personnel system, but are employed pursuant to the System code (the "System Code"). The System Code governs the tenure of faculty, personnel policy for faculty and disciplinary procedures. Many students also are employed part-time by the Universities on a continuing basis, the numbers of which are not included in the amounts set forth above.

Academic Year

The System follows the academic semester system by which the academic year is divided into two instructional semesters of approximately 16 weeks each and summer terms between May and August. The regular academic year traditionally begins in late August and concludes in May, with vacation breaks between the fall and spring semesters and the summer session.

Admissions Policy

Admission to the Universities and the State College is open to residents and non-residents of the State on a competitive basis. Admission to the Universities is given to applicants who satisfy certain criteria relating to standardized tests and high school curriculum. There are different admission requirements for the various schools and colleges of the Universities, including particularly stringent requirements for admission to the professional schools, even at the undergraduate levels. Since 2006, the Universities have moved to being restrictive admission institutions. Effective for fall 2008, the System established a required minimum weighted GPA for admission to the Universities of 3.0 in the high school classes required for admission (this approximates a non-weighted GPA of 3.25); and high school course work must include a minimum number of semesters in various disciplines. That GPA reflects an increase from the weighted 2.75 GPA in effect since fall 2006, which was itself an increase from the 2.5 overall GPA (not weighted) requirement in effect prior to fall 2006. Effective fall 2013, students seeking admission to the Universities are required to take the American College Test ("ACT") or the Scholastic Aptitude Test ("SAT"). The Universities may admit certain first-time freshman who fall outside of those requirements in limited circumstances.

The System may make other revisions to its admissions policies (or other policies) in the future that could have direct or indirect impact on enrollments. If enrollments decline, the revenues received from the Student Fees constituting Net Pledged Revenues may also decline.

Tuition

All System students pay registration fees (see "SECURITY FOR THE 2023 BONDS – Student Fees"). The System is prohibited by State statute from charging tuition to students who are "bona fide residents" of the State (generally, residents for 12 months). Nonresident students, however, generally are charged tuition in addition to the registration fees in accordance with current Board policy. Revenues realized from tuition do not constitute Net Pledged Revenues. Tuition varies between the Universities, Nevada State College and the Community Colleges and also varies by full- and part-time status. In March 2015, the Board approved revised policies regarding tuition and fees that automatically adjusts tuition and registration fees by the lesser of the Higher Education Price Index or six percent. The adjustments are implemented on a 4-year trailing basis. Therefore, the adjustment based on the Higher Education Price Index for 2022 which is published during academic year 2022-23 is implemented for academic year 2026-27. This trailing implementation ensures that four years of tuition and fees are published for use by students and parents in budgeting for higher education expenses.

For the 2022-23 academic year, the tuition charged at the Universities is as follows: undergraduate full-time tuition (seven credit hours or more per semester) is $16,542 per year, an increase of 2.8% over the 2021-22 academic year. For 2022-23 part-time undergraduates are charged $281.50 per credit for one to six credits and part-time graduate students are charged $345.50 per credit for one to six credits per semester. Tuition is scheduled to increase by 2.5% in 2023-24, and 1.9% in 2024-25, however future tuition increases remain subject to change by the Board.

For the 2022-23 academic year, the tuition charged at Nevada State College (and for upper-level Community College classes) is $13,739 per year; part-time students are charged tuition on a per-credit hour basis. Annual tuition currently is expected to increase to $14,082 for the 2023-24 academic year and $14,350 for the 2024-25 academic year.

For the 2022-23 academic year, the tuition charged at the Community Colleges is $7,901 per year; part-time students are charged tuition on a per-credit hour basis. Annual tuition currently is expected to increase to $8,099 for the 2023-24 academic year and $8,253 for the 2024-25 academic year.

Competition for Students

The System competes with other colleges and universities for qualified applicants, and revenues available to pay Net Pledged Revenues (as well as other University revenues) are directly dependent on the number of students enrolled in the System. The System believes that decisions of students to apply and enroll at the System are based primarily on the perceived quality of the academic programs offered, the cost and reputation of the institution and the availability of financial aid. See “Student Financial Aid” below. The System believes that its most significant competitors for mutually accepted candidates are those state universities located in California, Arizona and New Mexico.

Student Body – The Universities

Applications and Admissions. The following tables show the number of applications for acceptance and new students registered at UNR and UNLV, respectively, during the fall semester of each of the years 2018-2022.

Applications and Admissions - UNR

Fall Term	Applications	Applicants Accepted	Enrolled
2018	16,124	13,243	5,609
2019	14,891	12,060	6,005
2020	14,701	11,754	5,339
2021	15,962	13,023	5,435
2022	14,586	11,657	5,407

Source: Compiled by UNR.

Applications and Admissions – UNLV

Fall Term	Applications	Applicants Accepted	Enrolled
2018	20,330	15,473	8,091
2019	21,228	16,058	8,238
2020	22,260	17,363	8,593
2021	22,285	17,603	8,248
2022	22,026	17,998	8,624

Source: Compiled by UNLV.

Enrollment and Residency Status. The following tables show the total number and residency status of students (undergraduate and graduate students) enrolled at UNR and UNLV, respectively, during the fall semesters of each of the years shown.

Enrollment and Residency Status - UNR

Fall Term	Total Students	Residents	Percentage of Total	Non-Residents	Percentage of Total
2018	21,463	15,280	71.2	6,183	28.8%
2019	21,003	15,067	71.7	5,936	28.3
2020	20,722	15,060	72.7	5,662	27.3
2021	21,034	15,180	72.2	5,854	27.8
2022	20,945	15,094	72.1	5,851	27.9

Source: 2018-22 compiled by The System/UNR.

Enrollment and Residency Status - UNLV

Fall Term	Total Students	Residents	Percentage of Total	Non-Residents	Percentage of Total
2018	30,457	25,664	84.3%	4,793	15.7%
2019	31,171	26,322	84.4	4,849	15.6
2020	31,142	26,599	85.4	4,543	14.6
2021	30,679	26,378	86.0	4,301	14.0
2022	30,660	26,458	86.3	4,202	13.7

Source: 2018-22 compiled by The System/UNLV.

FTE Enrollments. The following tables show the total annualized full-time equivalent ("FTE") undergraduate and graduate students enrolled at UNR and UNLV, respectively, during fiscal years 2017-18 through 2021-22. The FTE formula recognizes the different costs associated with various levels of education. Accordingly, FTE enrollments are calculated based upon 15 credits at the undergraduate level, 12 credits at the masters' degree level and 9 credits at the doctorate degree level. FTE enrollments currently are calculated as of the last date of each semester.

FTE Enrollment – UNR

Fiscal Year	Undergraduate Annualized FTE	Graduate Annualized FTE	Total Annualized FTE
2018	15,596	1,692	17,288
2019	15,429	1,765	17,194
2020	15,078	1,821	16,899
2021	14,344	1,793	16,137
2022	14,212	1,852	16,064

Source: Official System Enrollment Reports.

FTE Enrollment – UNLV

Fiscal Year	Undergraduate Annualized FTE	Graduate Annualized FTE	Total Annualized FTE
2018	19,670	2,844	22,514
2019	19,654	2,830	22,484
2020	20,036	2,839	22,875
2021	20,217	2,873	23,090
2022	19,853	2,848	22,701

Source: Official System Enrollment Reports.

Student Financial Aid – The Universities

Financial aid at the System is awarded by individual System institutions generally in the form of a "package" consisting of grants, scholarships, loans and campus employment. State financial aid to students at both Universities for fiscal year 2020-21 was $82,086,486 and for fiscal year 2021-22 was $86,248,357. Federal financial aid to the Universities for fiscal year 2020-21 was $304,840,576 and for fiscal year 2021-22 was $309,105,552.

Student Financial Aid – 2021-22

	UNLV	UNR	TOTAL
STUDENTS RECEIVING FINANCIAL AID[1]	63,153	41,942	105,095
AWARDS IN EACH CATEGORY OF FINANCIAL AID[2]			
Federal Aid	29,123	15,550	44,673
State of Nevada Aid[3]	14,860	11,586	26,446
Institutional Aid	17,336	12,873	30,209
Private Scholarships and Other	1,834	1,933	3,767
TOTAL AWARDS OF FINANCIAL AID[2]	63,153	41,942	105,095
DISBURSEMENTS OF FINANCIAL AID ($)			
Federal Aid	$203,038,140	$106,067,412	$309,105,552
State Aid	43,338,446	42,909,911	86,248,357
Institutional Aid	66,204,071	47,405,266	113,609,337
Private Aid	12,714,277	13,710,860	26,425,137
TOTAL DISBURSEMENTS OF FINANCIAL AID ($)	$352,294,934	$210,093,449	$535,388,383

(1) Headcount is unduplicated across categories, except for students who received aid at more than one institution during the award year or earned wages as a student employee or graduate assistant in addition to one or more financial aid awards. As a result of removing duplication, data provided in System's prior disclosure documents is not comparable.

(2) Awards are duplicated. Students may receive funds from more than one program within each category of funds.

(3) Consists primarily of Millennium Scholarships, Student Access Aid, NSHE grants-in-aid, campus employment and graduate assistantships.

Source: Compiled by System Administration.

DEBT STRUCTURE

Outstanding Parity Bonds

As of March 1, 2023, the System has outstanding the following Parity Bonds.

Outstanding Parity Bonds[1]

	Original Amount	Amount Outstanding	Final Maturity
2013A Bonds	$40,035,000	$25,550,000	07/01/33
2013B Bonds	105,300,000	69,720,000	07/01/35
2014A Bonds	49,995,000	38,885,000	07/01/43
2015A Bonds	61,445,000	54,660,000	07/01/35
2015B Bonds	7,480,000	3,190,000	07/01/26
2016A Bonds	57,750,000	50,835,000	07/01/38
2016B Bonds	13,580,000	10,925,000	07/01/36
2017A Bonds	25,080,000	24,210,000	07/01/40
2019A Bonds	18,310,000	17,965,000	07/01/49
2021 Bonds	35,705,000	34,565,000	07/01/51
2022 Bonds	21,905,000	21,905,000	07/01/32
Total		$352,410,000	

(1) Does not reflect the issuance of the 2023 Bonds, including the impact of the Refunding Project on the outstanding 2013A Bonds and 2013B Bonds.

Source: The System.

Other Obligations of the System

The System also has outstanding certain existing or planned obligations which are not secured by Net Pledged Revenues. As of March 1, 2023, those obligations included the following: (1) the Outstanding Certificates, currently outstanding in the aggregate principal amount of $211,765,000; (2) outstanding $7,595,000 aggregate principal amount of other obligations and bank loans. See "INTRODUCTION – Security – Other Outstanding Obligations."

The System also will have outstanding, as of March 1, 2023, certain letters of credit (which are not secured by Universities Net Pledged Revenues), including (1) a $2,100,000 letter of credit associated with DRI lease revenue bonds; and (2) $1,213,000 aggregate amount of two letters of credit acquired to fund the System's obligations as a self-insured employer for its workers' compensation liability pursuant to NRS 616B.300. See Notes 10-14 in the audited financial statements attached hereto as Appendix A for a description of the System's long-term debt, capital and operating lease obligations and other non-current liabilities as of June 30, 2022.

Authorized but Unissued Obligations

General. Since 1991, the Legislature has authorized the issuance of obligations that are fully or partially payable from the net pledged revenues for UNR, UNLV, Nevada State College and the Community Colleges. The legislative authorization for UNR and UNLV may be used for the construction, rehabilitation and improvement of additional student housing and dining facilities, parking facilities and other campus facilities required or desired by the university master plans. The legislative authorization for Nevada State College may be used for student housing and parking. The legislative authorization for the Community Colleges may be used for student service facilities, classrooms and parking facilities. The total authorized for UNR since 1991 is $407,070,000, the total authorized since 1991 for UNLV is $422,155,000, the total authorized for Nevada State College since 1991 is $20,000,000 and the total authorized for the Community Colleges since 1991 is $123,000,000.

The current remaining legislative authorization for UNR is $61,500,000. UNLV's current remaining legislative authorization is $89,920,000. UNLV has various projects identified as part of its long-term facility master plan associated with available authorization; however, UNLV has no specific plans to issue additional bonds at this time. The current remaining legislative authorization for the Community Colleges is $52,085,000. The Community Colleges do not have specific plans to issue additional bonds at this time. Nevada State College has no remaining legislative authorization.

The Legislature may authorize the issuance of additional obligations payable from all or a part of the Net Pledged Revenues at any time in the future. The Legislature also may authorize the issuance of additional obligations payable from revenues other than the Net Pledged Revenues. The Board also may be authorized from time to time to issue general obligation bonds of the State for capital construction purposes. However, the Board does not currently have authorization to do so.

In addition, the Universities, Nevada State College and the Community Colleges may obtain bank loans at any time for various capital projects (subject to Board approval and compliance with State statutes). Certain outstanding loans and other obligations are discussed above.

Contemplated Projects for the Universities

Within the next 18 to 24 months UNLV anticipates proceeding with a parking garage in the Regional Transportation Center and campus infrastructure improvements, including relocation of facilities management, delivery services, reprographics and mail facilities, campus plazas and roadway and pedestrian improvements. UNLV is also developing plans and financial models for fine arts, interdisciplinary and business buildings. Timelines for these projects have not been established.

The State provided a $70 million allocation from the State ARP funds to construct a new Ambulatory and Mental Health Care Center and a State Health Lab in the Medical District on the same site where the Medical Education Building is located. These projects will be managed by the Nevada Health and Bioscience Corporation ("NHBC") and no UNLV funds or financing will be required.

UNR is also pursuing a P-3 type model for a 3rd Party Development Agreement to construct an approximately 125,000 square foot building for the College of Business on University owned land at the south end of campus. This is anticipated to be a ground lease/lease back structure with an associated annual lease payment obligation of approximately $10.0

million to $10.5 million per year for 30 years. The bond financing for this project will be issued by a separate independent Special Purpose Entity 501c3 created for this purpose and not by the System; however, the System is expected to enter into a 35-year lease in the summer of 2023 for the project. UNR is also investigating opportunities for a similarly structured P-3 3rd Party Development Agreement for faculty and staff housing in the next 12 to 24 months. The University has secured a right of first refusal for an adjacent parcel which may be debt financed for acquisition and is in the planning stages for this project.

Finally, UNR received a $78 million allocation from the State in August 2022 for construction of a new State Health Lab and renovation of the old building, however that project is fully funded with State ARP funds and no UNR funds or financing will be needed.

Some of the projects described above will likely be partially financed by future long-term debt obligations. However, it has not been determined whether the potential long-term financing will be accomplished as Additional Parity Bonds or as other obligations of the System. The System reserves the privilege of issuing bonds whenever legal and financial requirements have been met. Issuance of bonds, including refunding bonds, is contingent upon approval by the Board.

Debt Service Requirements

The following schedule shows: (1) the debt service payable on the 2023 Bonds; (2) the debt service payable on the Prior Parity Bonds; and (3) the combined debt service on the 2023 Bonds and the Prior Parity Bonds. *The schedule shows debt service payable in each bond year ending July 1, not in the System's fiscal year.*

Debt Service Requirements[1]

Fiscal Year Ending July 1[2]	2023 Bonds Principal	2023 Bonds Interest[4]	Total Debt Service on Prior Parity Bonds[3]	Total Debt Service
2023	--	$735,106	$35,909,644	$36,644,750
2024	$7,915,000	3,727,300	23,568,116	35,210,416
2025	8,315,000	3,331,550	22,813,106	34,459,656
2026	7,165,000	2,915,800	20,160,356	30,241,156
2027	7,530,000	2,557,550	18,938,106	29,025,656
2028	7,910,000	2,181,050	18,948,531	29,039,581
2029	8,305,000	1,785,550	18,937,781	29,028,331
2030	11,055,000	1,370,300	16,439,756	28,865,056
2031	4,990,000	817,550	22,606,388	28,413,938
2032	5,190,000	617,950	22,610,938	28,418,888
2033	5,395,000	410,350	21,495,563	27,300,913
2034	1,725,000	140,600	21,503,888	23,369,488
2035	1,790,000	71,600	21,492,538	23,354,138
2036	--	--	12,682,463	12,682,463
2037	--	--	11,713,719	11,713,719
2038	--	--	11,711,231	11,711,231
2039	--	--	7,443,269	7,443,269
2040	--	--	7,447,081	7,447,081
2041	--	--	5,554,050	5,554,050
2042	--	--	5,552,425	5,552,425
2043	--	--	5,554,344	5,554,344
2044	--	--	2,709,400	2,709,400
2045	--	--	2,705,500	2,705,500
2046	--	--	2,705,138	2,705,138
2047	--	--	2,703,194	2,703,194
2048	--	--	2,704,669	2,704,669
2049	--	--	2,704,413	2,704,413
2050	--	--	1,687,425	1,687,425
2051	--	--	1,689,188	1,689,188
	$77,285,000	$20,662,256	$372,692,217	$470,639,473

(1) Totals may not add due to rounding.
(2) Based on the Bond Year ending July 1st of each year, not on the System's fiscal year. Includes payments of interest on January 1 of the calendar year shown and payments of principal and interest on July 1 of that year.
(3) Reflects the issuance of the 2023 Bonds and the impact of the Refunding Project on the outstanding 2013A and 2013B Bonds.
(4) Interest estimated by the Municipal Advisor.

Source: The System, compiled by the Municipal Advisor.

SYSTEM FINANCIAL INFORMATION

Financial Management

Pursuant to State statute, the Board is the sole trustee to receive and disburse all funds of the System and the Chancellor of the System is empowered by the System's bylaws to act as the Chief Executive Officer and Treasurer of the System. The Chancellor is responsible for the financial management and coordination of the administration for the System. The Chancellor's office performs the treasury functions for the System, including administration of the cash management system.

All State appropriated monies are drawn upon from the State treasury by the Chancellor's office for disbursement to the respective institutions of the System, including UNR and UNLV. The expenditure of State appropriated monies once disbursed to the individual institutions is controlled by those institutions. The Board does not have the discretionary power, once the Legislature has approved the System's budget, to alter the budgeted disbursements to each institution within the System.

Budget

General. The System operates under a biennial budget system prescribed by the State. See "STATE FINANCIAL, ECONOMIC AND DEMOGRAPHIC INFORMATION – Certain Financial Information - State General Fund - Budget Procedure." The fiscal year begins on July 1 of each year and the biennium begins on July 1 of each odd numbered year. After the biennial budget is set by the Legislature, the System develops an operating budget for each year of the biennium. The current biennium began July 1, 2021.

The System and each of its institutions (including each of the Universities, Community Colleges, Nevada State College and DRI) are required to maintain balanced budgets. The System's biennial budget request is developed over a period of several years. More than one year prior to the budget request being submitted to the Legislature, a series of hearings with each campus is held, at which programs and goals are discussed and later translated into numerical requests in specified dollar amounts. Following the hearings, the Presidents of the Universities, Nevada State College, DRI and the Community Colleges and their respective staffs review the composite requests and formulate recommendations for each college or division. These recommendations are reviewed first by the appropriate dean or director, then by the Chancellor, and then by the Board. The budget request is then sent to the Governor's office for further review and modification. Comments and modifications are made at each step of this review procedure.

In the event of emergencies when additional funds become necessary for the operation of the System during any biennium and the Legislature is not in session, the Board may submit a request to the State Board of Examiners (consisting of the Governor of the State, the Secretary of State and the State Attorney General) for an allocation by the Interim Finance Committee. The Interim Finance Committee is composed of the members of the State Assembly Standing Committee on Ways and Means and the State Senate Standing Committee on Finance during the current or immediately preceding session of the Legislature. The State Interim

Finance Committee (the "Interim Finance Committee") may allocate monies from a special State contingency fund for payment to the System of funds not otherwise appropriated.

Pursuant to the authorized expenditure bill for the 2021-23 biennium ("SB459"), the System may expend any additional registration fees collected from students for the purpose of meeting salaries and related benefits for incremental instructional faculty necessary as a result of registering additional students beyond budgeted enrollments. The System also may expend, with the approval of the Interim Finance Committee, any additional nonresident tuition fees and any additional registration fees not utilized for incremental instructional faculty costs in addition to the authorized amounts for the respective years of the biennium. The System may also expend, with the approval of the Interim Finance Committee, any additional registration and nonresident fees resulting from the imposition of fee increases.

2022-23 Biennial Budgets. The 2021 Legislature appropriated General Funds for the benefit of NSHE of $638.4 million for fiscal year 2022 and $645.2 million for fiscal year 2023, of which $4.4 million was appropriated to the State Board of Examiners in fiscal year 2023 for cost-of-living increases. The fiscal year 2022 and fiscal year 2023 appropriated amounts represent an increase in general fund support over fiscal year 2021 of 12.0% and 13.2%, respectively. Due to the COVID-19 pandemic, General Funds for fiscal year 2021 were reduced by approximately 19.8%. In fiscal year 2021, net general fund appropriations accounted for 59.4% of the total State Supported Operating Budget compared to 59.9% and 59.4% in fiscal year 2022 and fiscal year 2023, respectively. A table showing the 2021-23 biennial general fund appropriations, as compared to the 2020-21 biennium, is set forth below.

(in millions)	2019-2020	2020-2021	2021-2022	2022-2023
General Fund	$684.7	$694.9	$638.4	$640.8
COVID-19 General Fund Reductions	--	(137.8)	--	--
COLA Increase	12.7	12.8	0	4.4
Total	$697.4	$569.9	$638.4	$645.2

Higher Education Funding Formula. The 2011 Legislature passed Senate Bill 374 which authorized a legislative interim study to review the funding formula utilized for higher education. The last time the Legislature authorized a study to update the higher education funding formula was in 1999. The Interim Study Committee was chaired by the State Senate Majority Leader and had 11 other voting members including 5 legislators, 3 regents, and 3 appointed community members as well as 4 non-voting representatives from the Executive Budget Office and the System. The Committee was charged with comparing the then-existing method for funding higher education in Nevada with the methods used in other states and determining whether those methods would be appropriate and useful in Nevada.

The Committee made final recommendations in August 2012. These recommendations were substantially reflected in the higher education section of the Executive Budget which was ultimately approved by the 2013 Legislature. The primary changes included a shift from inputs (enrollments) as the main driver to weighted outputs (completed credit hours) for the main funding calculation. The Legislature also approved a performance component which began in fiscal year 2015 with an initial funding amount of 5% of the base general fund appropriation, increasing by 5% each successive year, until a 20% (of base funding) pool was created in fiscal year 2018.

The 2017 Legislature continued funding the NSHE state supported instructional budgets utilizing the funding formula adopted by the 2013 Legislature based upon the recommendation of the Interim Legislative Committee to Study the Funding of Higher Education (SB 374) and distributing General Fund appropriations based on the instructional institution's fiscal year 2016 resident weighted student credit hours ("WSCH") completed. The Legislature funded the instructional budgets caseload adjustments resulting from an increase in the fiscal year 2016 WSCH over the fiscal year 2014 WSCH.

For fiscal year 2018, the Interim Legislative committee to study the funding of Higher Education (SB 374) recommended a 20% carve out from each institution's general fund appropriation that would be earned back based upon performance criteria recommended by the Board of Regents. The Committee recommended that the rate increase by 5% each year through 2018. The carve-out for the initial year (fiscal year 2015) was 5% and is increased by 5 percent each succeeding year until it reaches 20 percent in fiscal year 2018.

Historical Budget Summary of Appropriated Funds. A budget summary of appropriated funds for the System for the years stated is set forth below. See "CERTAIN RISK FACTORS – System Appropriations" and the discussion in "Budget Issues" above.

Budget Summary of Appropriated Funds

	2018-19		2019-20		2020-2021		2021-2022		2022-2023	
	State[1]	Other Revenue Sources[2]	State[1]	Other Revenue Sources[2]	State	Other Revenue Sources	State	Other Revenue Sources	State	Other Revenue Sources
General	$549,437,185	$330,231,282	$560,531,083	$348,403,732	$461,587,670	$363,498,079	$535,564,020	$407,163,782	$537,806,827	$417,821,766
Statewide Programs	12,448,226	--	12,733,345	--	9,851,554	--	10,984,615	531,081	11,001,079	531,081
Intercollegiate Athletics	13,352,623	--	13,454,186	--	10,705,905	--	11,767,801	49,423	11,780,429	49,423
Agric. Experiment Station	5,584,165	1,710,261	5,693,870	1,710,261	4,487,832	1,997,196	4,938,868	2,154,029	4,951,427	2,154,029
Coop. Extension Services	3,875,519	1,892,521	4,003,540	1,888,078	3,120,875	1,886,581	3,658,828	2,266,953	3,674,437	2,266,953
State Health Lab	1,774,968	--	1,821,031	--	1,427,230	--	1,577,818	58,115	1,583,057	58,115
School of Medicine	68,860,561	9,669,919	74,440,310	10,506,430	63,535,378	11,539,440	69,870,587	15,195,815	69,990,781	15,527,590
TOTAL SYSTEM	$655,333,247	$343,503,983	$672,677,365	$362,508,501	$554,716,444	$378,921,296	$638,362,537	$427,419,198	$640,788,037	$438,408,957

(1) Consists of monies appropriated by the State for the categories as indicated.

(2) Other revenue sources included in this column are Registration Fees (i.e., Student Fees, Non-Resident Tuition, Miscellaneous Student Fees), Federal Funds, Indirect Cost Recovery, Operating Capital Investment, Discretionary Funds, Training Grants, County Funds and Miscellaneous.

Source: The System.

Sources of Funds

General. As illustrated in the table in "Financial Statements and Historical Financial Information" below, the System receives revenues from a variety of sources. The major sources of System operating revenues are discussed in more detail below. See, also "SECURITY FOR THE 2023 BONDS – Sources of System Revenues" for additional discussion of these sources, including whether the related revenues constitute legally available funds for the payment of principal and interest on the 2023 Bonds. In addition to operating revenues, the System receives revenues (classified as non-operating revenues for accounting purposes) from other sources, primarily State appropriations.

Operating Revenues. The major sources of System operating revenues are discussed below.

Tuition and Fees. The major components of this source are the Student Fees and the Activities and Program Fund Fees. Non-resident students are charged tuition in addition to the student fees. Tuition and fees (net of scholarship allowances) accounted for 47.4% and 43.1% of the System's total operating revenues for the fiscal years ended June 30, 2021 and 2022, respectively.

Grants and Contracts. The United States government and various other State, local and private sponsoring agencies through various grant and contract programs accounted for 32.8% and 32.9% of the System's total operating revenues for the fiscal years ended June 30, 2021 and 2022, respectively. The use of such funds is usually limited to specific projects and is not included in the budgets or work programs for the System. Such revenues include grants and contracts for research, public service, instruction and training programs, fellowships, scholarships, endowment scholarship programs, and student aid programs, and grants for construction projects.

Sales and Services - Educational Departments. Various System departments provide services and products to the student body and, in some instances, to the community, for which payment is received. These include revenues from the sale of maps, copying services, diplomas, binding, and the like. Sales and services accounted for 14.2% and 15.7% of the System's total operating revenues for the fiscal years ended June 30, 2021 and 2022, respectively.

Auxiliary Enterprises. This source represents income earned by the System on its income producing operations such as event centers, bookstores, housing, food service and certain other operations. The income from the operation of the auxiliary enterprises usually equals or exceeds the cost of the auxiliary enterprises. Auxiliary enterprises accounted for 4.3% and 7.3% of the System's total operating revenues for the fiscal years ended June 30, 2021 and 2022, respectively.

Other Sources of System Funds (Non-operating Revenues). The System also receives non-operating revenues from various sources, including investment income, interest earned on loans receivable, gifts and other sources of income. The largest source of non-operating revenues is State appropriations, which are discussed below.

State Appropriations. This non-operating revenue source is provided by the Legislature based upon the System's request as described more particularly elsewhere in this Official Statement. State appropriations do not constitute operating revenues of the System under currently applicable Generally Accepted Accounting Principles ("GAAP"); rather, they are classified as non-operating revenues. Nonetheless, State appropriations remain a significant source of System funding.

For the fiscal years ended June 30, 2021 and 2022, State appropriations were $550.6 million and $639.7 million, respectively. Such increase was primarily attributable to the reduction of 2021 appropriations due to the infusion of federal funds to mitigate the fiscal impact of the COVID-19 pandemic. State law does not provide for a specific level of appropriation in any biennium. See the discussions in "Budget" above, "CERTAIN RISK FACTORS – System Appropriations," and "STATE FINANCIAL, ECONOMIC AND DEMOGRAPHIC INFORMATION – Certain Financial Information – State General Fund –Recent and Current State Budgets."

Financial Statements and Historical Financial Information

The System prepares annual financial statements setting forth the financial condition of the System as of June 30 of each fiscal year shown. The System prepares its financial statements in accordance with GAAP as prescribed by the Governmental Accounting Standards Board ("GASB"). See Note 2 to the audited financial statements attached hereto as Appendix A for a description of the System's significant accounting policies, including a description of the basis of presentation and the implementation of new accounting principles.

The information in the following table has been derived from the information contained in System's audited financial statements for the fiscal years ended June 30, 2018 through 2022. The information in the following table represents the financial results of the Universities, Nevada State College, the Community Colleges and the DRI, excluding the legally separate campus foundations and medical school practice plans (the "System-Related Organizations").

The audited financial statements for the year ended June 30, 2022, attached hereto as Appendix A, represents the most recent audited financial information available for the System. The financial statements of the System for prior years are available for inspection at the System offices (see "INTRODUCTION – Additional Information"). The information in these tables should be read together with the System's audited financial statements and accompanying notes for each respective fiscal year.

Statements of Revenues, Expenses and Changes in Net Assets (in thousands)[1]

	Fiscal Year Ended June 30,				
Operating Revenues	2018	2019	2020	2021	2022
Tuition and fees (net)[2]	$431,319	$445,472	$475,552	$473,526	$477,348
Federal grants and contracts	186,371	179,475	182,354	227,581	268,295
State grants and contracts	50,912	53,813	55,274	61,464	52,260
Local grants and contracts	2,261	4,189	4,312	4,707	3,645
Other grants and contracts	26,517	29,890	32,539	33,529	39,655
Sales & services of educational departments[3]	138,010	153,232	155,539	141,779	174,138
Sales and services of auxiliary enterprises[4]	97,199	104,424	84,436	42,657	80,445
Interest earned on loans receivable	284	207	179	134	171
Other operating revenues	20,890	11,724	18,181	13,614	11,046
Total operating revenues	953,763	982,426	1,008,366	998,991	1,107,003
Operating Expenses					
Employee compensation and benefits	1,165,247	1,250,890	1,350,549	1,268,037	1,245,173
Utilities	31,825	28,621	27,993	24,339	30,109
Supplies and services	391,243	392,947	372,594	345,650	448,976
Scholarships and fellowships	102,220	100,429	131,527	129,133	195,329
Depreciation	106,757	108,429	114,989	120,649	132,841
Other operating expenses	18	--	2,228	--	--
Total operating expenses	1,797,310	1,881,243	1,999,880	1,887,808	2,052,428
Operating (loss)	(843,547)	(898,817)	(991,514)	(888,817)	(945,425)
Non-operating Revenues (Expenses)					
State appropriations	617,180	645,649	668,289	550,638	639,655
Gifts[4]	54,814	58,965	51,915	55,093	52,702
Investment income (loss), net	58,393	50,825	22,240	204,357	(79,347)
Disposal of capital assets	(141)	7,594	18,651	2,141	(5,189)
Interest expense	(23,985)	(29,581)	(29,155)	(26,973)	(26,577)
Federal grants and contracts	124,054	125,995	164,459	262,331	354,066
Other non-operating revenues	(1,409)	899	(2,829)	(6,742)	2,700
Net non-operating revenues	828,906	860,346	893,570	1,040,845	938,010
Income (Loss) before other revenue, expenses, gains or losses	(14,641)	(38,471)	(97,944)	152,028	(7,415)
State appropriations for capital purposes[5]	88,781	--	107,508	(17,345)	(5,627)
Capital grants and gifts	44,484	31,897	42,353	26,464	15,591
Return of Capital Gifts	--	--	(15,000)	--	(29)
Additions to permanent endowment	(2,179)	138	87	218	647
Extraordinary Item – Insurance Recoveries	--	--	1,744	--	--
Extraordinary Item – Gain on Impairment of Capital Assets	--	--	41,550	--	--
Total other revenues	131,086	32,035	178,242	9,337	10,582
Increase (decrease) in net assets	116,445	(6,436)	80,298	161,365	3,167
NET ASSETS - beginning of year	2,173,878	1,799,145	1,792,709	1,873,007	2,034,372
Change in Accounting Principles (GASB 75)[6]	(491,178)	--	--	--	--
NET ASSETS - end of year	$1,799,145	$1,792,709	$1,873,007	$2,034,372	$2,037,539

(1) These amounts represent the financial results for the entire Nevada System of Higher Education, including the Universities, Nevada State College, the Community Colleges and the DRI, but exclude results for the legally separate campus foundations and medical school practice plans (i.e., the System-Related Organizations).
(2) Net of scholarship allowances (in thousands): 2018-$172,752; 2019-$183,381; 2020-$193,121, 2021-$211,091; and 2022-$209,511.
(3) Includes amounts received from System Related Organizations. See the basic financial statements in Appendix A.
(4) Net of scholarship allowances (in thousands): 2018-$6,959; 2019-$7,454; 2020-$6,222, 2021-$3,886; and 2022-$10,516.
(5) Negative amounts reflect unused appropriations that revert to the State.
(6) Reflects negative adjustments attributable to implementation of GASB 75.

Source: Derived from information included in the System's Audited Financial Statements for the fiscal years ended June 30, 2018 through 2022.

Investment Policy

General. The System follows Board approved investment policies in managing all public funds, including operating funds and endowment funds. Copies of the investment policies, which are subject to Board amendment at any time, are available upon request. The Board has delegated to the Investment Committee (the "Committee") the management of operating funds and endowment funds within the parameters of its investment policy. The Committee is comprised of six Board members. The Chancellor and the Chief Financial Officer or designee shall serve as ex officio nonvoting members of the Committee. The Chair of each University Foundation Investment Committee or their designee shall serve as an ex officio nonvoting member of the Committee to provide advice for matters involving the Endowment Fund. The Board Chair shall appoint a Chair of the Committee and may appoint one or more individuals with investment knowledge or expertise to serve as nonvoting members of the Committee. Minutes of each meeting of the Committee shall be provided to the Regents for acceptance at their next meeting. The Committee meets at least semi-annually and reviews its allocations each time. The Committee is required to review the investment objectives and policies at least every two years for their continued appropriateness.

The System currently utilizes an advisor to assist with the management of the operating funds and one outsourced chief investment officer to manage the endowment funds. The Committee has discretion to hire and terminate advisors, outsourced chief investment officers or managers for any reason, and provides each advisor and outsourced chief investment officer with written guidelines.

The market values of the various pools discussed below are subject to change depending upon conditions which are beyond the control of the System, including general economic conditions and general financial conditions. In addition, the System, while investing in mutual funds, is subject to the same risks as other investors in the market including but not limited to adverse market conditions, competence of fund managers and ability of fund managers to maintain a solvent fund.

Operating Funds. The System does not currently invest its operating funds directly in individual securities. The operating funds are invested in professionally managed investment funds. The Operating Funds are comprised of three pools: the Short-Term Pool, the Intermediate-Term Pool and the Long-Term Pool. The Short-Term Pool must be invested in fixed income securities with average maturities of one year or less to maintain high liquidity and low risk of principal loss. The Intermediate-Term Pool must be invested in fixed income securities with average maturities of three years or less. The Long-Term Pool may be invested in fixed income securities, Treasury Inflation Protection Securities (TIPS), and U.S. and international common stocks. A portion of the Long-Term Pool also currently is invested in absolute return strategies, which previously were authorized investments; that asset class currently is being liquidated in stages.

As of December 31, 2022, the System had approximately $704.3 million of operating funds invested pursuant to the above investment policies.

Endowment Funds. The investment objectives of the endowment fund are to provide a relatively stable stream of spendable revenue that increase over time at least as fast as the general rate of inflation, as measured by the Consumer Price Index. Effective July 1, 2009, the Board suspended distributions on all underwater accounts, unless expressly authorized by the donors in writing.

The endowment fund is allocated between four categories: growth assets, diversifiers, real assets and fixed income and cash assets. Growth assets such as public equity, private equity, venture capital and hedge funds provide long-term capital appreciation and a growing income stream; diversifying assets such as absolute return hedge funds, liquid alternatives, emerging market debt and private diversifiers provide equity like returns with low equity correlation and lower levels of risk than Growth Assets. An allocation to Real Assets such as public and private investments in real estate, oil and gas, natural resources equity commodities is used to protect the portfolio against the risk of unanticipated severe inflation and an allocation to fixed income and cash assets provide a hedge against extended deflation and ready liquidity. Board policy sets normal allocation and ranges for each type of portfolio. The target allocation for the Growth Assets is 61.5%; a 50-70% range is permitted. The target allocation for the Diversifier Assets is 15%; a 5%-25% range is permitted. The target allocation to Real Assets within the fund is 11%; a 5%-20% range is permitted. The target allocation for fixed income and cash is 12.5% with a permitted range of 5%-25%.

The permanent endowment fund (which includes quasi-endowment) was established July 1, 1984, with a total market value of approximately $20 million. As of December 31, 2022, the market value of the permanent endowment was approximately $292.5 million.

Liability Insurance

The System is insured for general liability, automobile liability and errors and omissions coverage through a program of self-insurance administered by the State. The System pays the State approximately $1 million per year in premiums and the State pays the System's liability claims. Under State law, the System's liability is limited to $150,000 per cause of action (see "LEGAL MATTERS – Sovereign Immunity"). The System also shares an excess liability policy with the State that has limits of $15 million aggregate (bodily injury, property damage and personal and advertising injury), $10 million aggregate (errors and omissions, employment practices, employment benefit); excess of $5 million. For medical malpractice, the System is fully insured in the amount of $1 million per occurrence and $3 million annual aggregate. The System carries property insurance in the amount of $500 million per occurrence (except the limit is $100 million for flood and earthquake with additional $10 million and $20 million sub-limits for zone 1 and zone 2 earthquake, respectively). This insurance has a $500,000 per occurrence deductible with an aggregate deductible of $1,000,000. The System purchases statutory coverage excess of $750,000 per occurrence of self-insured retention for workers' compensation. The System's Risk Manager believes this coverage is adequate for the System's needs.

Cyber-Security

The System, like other large public and private entities, relies on a large and complex technology environment to conduct its operations. As a recipient and provider of personal, private or sensitive information, the System is a potential target for a variety of cyber threats, including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the System's digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage. Recognizing the potential damage that could be caused by any such attacks, the System has established the System Computing Services Information Security Office (SCS-ISO) as the primary source for the System's cybersecurity readiness and awareness. The SCS-ISO has promulgated cyber-security policies and guidelines for System agencies and provides industry-recognized training for System employees. In addition, the System has procured the insurance coverage for data breaches and other security and privacy incidents with a $10 million limit and $500,000 deductible. Nevertheless, no assurance can be given that the System's efforts to manage cyber threats and attacks will be successful or that any such attack will not materially impact the operations or finances of the System.

Retirement Plans and Other Post-Employment Benefits

Retirement Plans. The System is a public employer under the State Public Employees' Retirement System ("PERS"), which covers substantially all public employees of the State, its agencies and its political subdivisions, including almost all of the permanent employees of the System. All classified employees and some professional employees are covered under PERS. Those professional employees not covered by PERS are covered by three self-directed alternative plans. In fiscal year 2022, such professional employees contribute 15.50% of their salary into the alternative plans, which are matched by the System and vested immediately. The alternative plans are defined contribution plans, and hence have no unfunded liability.

PERS, established by the Nevada legislature effective July 1, 1948, is governed by the Public Employees' Retirement Board whose seven members are appointed by the Governor. Retirement Board members serve for a term of four years. **Except for certain System-specific information set forth below, the information in this section has been obtained from publicly available documents provided by PERS. The System has not independently verified the information obtained from the publicly available documents provided by PERS and is not responsible for its accuracy.**

All public employees who meet certain eligibility requirements participate in PERS, which is a cost sharing multiple-employer defined benefit plan. Benefits, as required by statute, are determined by the number of years of accredited service at the time of retirement and the member's highest average compensation in any 36 consecutive months. Benefit payments to which participants may be entitled under PERS include pension benefits, disability benefits and death benefits. The following table illustrates the PERS service credit multiplier which reflects the benefit allowances for members as computed as certain percentages of average compensation for each accredited year of service depending upon when membership commenced (Membership Date) and during which period services were earned (Service Credit Multiplier). For the purpose of illustration, a public employee whose Membership Date occurred prior to July 1, 2001 would receive the Service Credit Multiplier of 2.50% for employment prior to July 1, 2001 and a Service Credit Multiplier of 2.67% for employment thereafter.

PERS Benefit Multiplier

	Service Credit Multiplier				
Membership Date	Before 07/01/01	After 07/01/01	After 01/01/10	After 07/01/15	Highest Contiguous Average Over
Before July 1, 2001	2.50%	2.67%	2.67%	2.67%	36 months
After July 1, 2001, before January 1, 2010	--	2.67%	2.67%	2.67%	36 months
After January 1, 2010, before July 1, 2015	--	--	2.50%	2.50%	36 months
After July 1, 2015	--	--	--	2.25%	36 months

Similarly, legislative changes have created several tiers of retirement eligibility thresholds. The following table illustrates the PERS retirement eligibility thresholds.

Nevada PERS Retirement Eligibility

Membership Date	Regular		Police/Fire	
	Age	Years of Service	Age	Years of Service
Before January 1, 2010	65	5	65	5
	60	10	55	10
	Any	30	50	20
			Any	25
After January 1, 2010, before July 1, 2015	65	5	65	5
	62	10	60	10
	Any	30	50	20
			Any	30
After July 1, 2015	65	5	65	5
	62	10	60	10
	55	30	50	20
	Any	33 1/3	Any	33 1/3

State law requires PERS to conduct a biennial actuarial valuation showing unfunded actuarial accrued liability ("UAAL") and the contribution rates required to fund PERS on an actuarial reserve basis. The actual employer and employee contribution rates are established in cycle with the State's biennium budget on the first full pay period of the even numbered fiscal years. By PERS policy, the system actually performs an annual actuary study.

The most recent independent actuarial valuation report of PERS was completed as of June 30, 2021. The following table reflects some of the key valuation results from the last three PERS actuary studies:

PERS Actuarial Report

Key Valuation Results	June 30, 2022	June 30, 2021	June 30, 2020
UAAL	$18.33 billion	$16.64 billion	$14.49 billion
Market Value Funding Ratio	75.1%	86.5%	77.0%
Actuarial Value Funding Ratio	74.7%	75.4%	76.1%
Assets Market Value	$54.51 billion	$58.49 billion	$46.74 billion
Assets Actuarial Value	$54.24 billion	$50.94 billion	$46.171 billion

For the purpose of calculating the actuarially determined contribution rate, the UAAL is amortized as a level percent of payroll over a year-by-year closed amortization period where each amortization period is set at 20 years. The amortization period prior to fiscal year 2012 was 30 years. Effective starting fiscal year 2012, the PERS Board adopted a shorter amortization period to be used to amortize new UAAL resulting from actuarial gains or losses and changes in actuarial assumptions. Any new UAAL is amortized over a period equal to the truncated average remaining amortization period of all prior UAAL layers, until the average remaining amortization period is less than 20 years; after that time, 20-year amortization periods will be used. The PERS Board also adopted a five-year asset smoothing policy for net deferred gains/losses.

The following presents the net pension liability of PERS as of June 30, 2021, and the System's proportionate share of the net pension liability of PERS as of June 30, 2021, calculated using the discount rate of 7.25%, as well as what the System's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one percentage point higher (8.25%) than the current discount rate:

Net Pension Liability
($000s)

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
PERS Net Pension Liability	$18,156,228	$9,119,297	$1,664,568
System Share of PERS Net Pension Liability	$543,485	$272,974	$49,827

Contribution rates to PERS are established in accordance with State statute. The statute allows for biennial increases or decreases of the actuarially determined rate. The Legislature can increase the contribution rate for members by any amount it determines necessary. Pursuant to statute, there is no obligation on the part of the employers to pay for their proportionate share of the unfunded liability. The District is obligated to contribute all amounts due under PERS; however, in accordance with State law, non-police/fire employees share the annual increases equally with the employer (unless otherwise prohibited by contract). A history of contribution rates is shown below.

	Fiscal Years 2014 and 2015	Fiscal Years 2016 and 2017	Fiscal Years 2018 and 2019	Fiscal Years 2020 and 2021	Fiscal Years 2022 and 2023
Regular members	25.75%	25.75%	28.00%	29.25%	29.75%
Police/fire members	40.50	40.50	40.50	42.50	44.0

Actuarial rates for fiscal years 2022 and 2023 are 29.75% for regular members and 44.00% for police/fire members, subject to approval by the legislature.

See Note 17 in the audited financial statements attached hereto as Appendix A for additional information on PERS and the other System pension plans. In addition, copies of PERS' most recent annual financial report, including audited financial statements and required supplemental information, are available from the Public Employees Retirement System of Nevada, 693 West Nye Lane, Carson City, Nevada 89703-1599, telephone: (775) 687-4200.

The System's contributions to all retirement plans (including PERS) for the years ended June 30, 2022 and June 30, 2021 were approximately \$96.2 million and \$138.3 million, respectively.

Other Post-Employment Benefits. State employees (including the System's employees) have the option upon retirement to continue group health and life insurance benefits provided by the Public Employees' Benefits Program (the "PEBP"). The System's professional employees not participating in PERS also participate in the PEBP. See Note 18 in the audited financial statements attached hereto as Appendix A.

PEBP administers these benefits as a multiple-employer, cost-sharing defined benefit plan to provide benefits to retirees and their beneficiaries. The State's PEBP obligations are funded through legislative appropriations and assessments on participants (including the System); the level of those assessments also is legislatively established. Each biennium, the Legislature determines the level of a State subsidy toward the premium contribution of retired State employees, which is funded by a percentage of payroll assessment by each State agency. The participating employers, with the exception of the State, are not subject to supplemental assessment in the event of deficiencies. However, the Legislature could determine to increase required System contributions in the future.

LEGAL MATTERS

Litigation

The System's staff attorneys reported that the System or its officers and employees were parties to numerous lawsuits in addition to those described below. The System's Chief General Counsel states that, as of the date hereof, to the best of his knowledge, there is no pending or threatened litigation which would restrain or enjoin the issuance of the 2023 Bonds or the collection of the Net Pledged Revenues. The System is, however, subject to certain pending and threatened litigation regarding various other matters arising in the ordinary course of its business operations. In view of the financial condition of the System and based on the information provided by the staff attorneys, it is the opinion of the System's Chief General Counsel that the pending or threatened litigation will not result in final judgments against the System which would, individually or in the aggregate, materially adversely affect repayment of the 2023 Bonds or materially impact the Net Pledged Revenues or the operations or finances of the System.

Several of the actions pending against the System are based upon the State's (or its agents') negligence or tort liability in which the System must be named as a party defendant. The Nevada System of Higher Education is self-insured for General, Automobile and Professional liability exposures funded by the State of Nevada. The self-insurance program is administered by the Nevada Attorney General's Office. Claims are handled in accordance with Chapter 41 of the Nevada Revised Statutes. NRS 41.035 limits the System's liability in actions sounding in tort to $150,000 per claim for causes of action arising on or after July 1, 2020, and $200,000 per claim for causes of action arising on or after July 1, 2022. The State of Nevada and NSHE have a Public Entity Retained Limit Liability Policy in excess of a $5,000,000 self-insured retention.

Ostrander et al. v. State of Nevada et al., Washoe County District Court Case No. CV20-00922 / Nevada Supreme Court Case No. 84859. During the Spring 2020 semester, in accordance with the Governor's declaration of emergency and related directives, NSHE closed its campuses and began providing educational instruction remotely. In June 2020, NSHE was served with a COVID-19 tuition and fee refund class action lawsuit. This class action is brought by a single plaintiff alleging breach of contract on behalf of herself and all similarly situated individuals at six NSHE institutions, comprised of colleges and universities. Plaintiff alleges that NSHE had contracts with its students for in-person learning and breached those contracts when its institutions of higher education closed their public campus facilities, including residential housing, and pivoted to a remote learning environment as a result of the government-ordered shut down in Spring 2020. Plaintiffs allege the contractual terms are set forth in unspecified marketing materials, catalogs, and websites. Further, Plaintiffs allege NSHE has been unjustly enriched by the classes' payment of tuition and fees and NSHE's refusal to refund prorated fees tied to on-campus services and amenities, notwithstanding the fact that classes never stopped and educational resources were provided remotely. NSHE filed a Writ of Mandamus with the Nevada Supreme Court, which was accepted by the Court on July 11, 2022, seeking an Order to enjoin the District Court from exercising jurisdiction over certain claims and seeking resolution of whether a named plaintiff's individual standing defines the scope of claims she is entitled to litigate on behalf of the putative class. All proceedings have currently been stayed by the District Court pending a ruling from the Nevada Supreme Court. Because this is a breach of contract case, the aforementioned statutory limit of tort liability does not apply to this action and it is not covered by insurance. As such, the potential liability associated with this matter is unascertainable at this time.

Approval of Certain Legal Proceedings

The approving opinion of Sherman & Howard L.L.C., as Bond Counsel, will be delivered with the 2023 Bonds. A form of the bond counsel opinion is attached to this Official Statement as Appendix E. The opinion will include a statement that the obligations of the System and the Board are subject to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of the powers delegated to it by the federal constitution, including bankruptcy. Sherman & Howard L.L.C. has also acted as Special Counsel to the System in connection with this Official Statement. The System's Chief General Counsel will certify to certain matters for the System.

Police Power

The obligations of the System are subject to the reasonable exercise in the future by the State and its governmental bodies of the police power and powers of taxation inherent in the sovereignty of the State, and to the exercise by the United States of the powers delegated to it by the Federal Constitution (including bankruptcy).

Sovereign Immunity and Tort Claims

Pursuant to State statute (NRS Section 41.035), an award for damages in an action sounding in tort against the System may not include any amount as exemplary or punitive damages and is limited to (a) $100,000 per cause of action prior to July 1, 2020, (b) $150,000 per cause of action on or after July 1, 2020, but before July 1, 2022, and (c) $200,000 per cause of action on or after July 1, 2020. See "SYSTEM FINANCIAL INFORMATION – Liability Insurance." The limitation does not apply to federal actions brought under federal law such as civil rights actions under 42 U.S.C. Section 1983 and actions under The Americans with Disabilities Act of 1990 (P.L. 101-336), or to actions in other states.

TAX MATTERS

Federal Tax Matters

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described below, interest on the 2023 Bonds is excluded from gross income pursuant to Section 103 of the Tax Code, and interest on the 2023 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b) of the Tax Code; however, to the extent such interest is included in calculating the "adjusted financial statement income" of "applicable corporations" (as defined in Sections 56A and 59(k), respectively, of the Tax Code), such interest is subject to the alternative minimum tax applicable to those corporations under Section 55(b) of the Tax Code for tax years beginning after December 31, 2022.

The Tax Code imposes several requirements which must be met with respect to the 2023 Bonds in order for the interest thereon to be excluded from gross income and alternative minimum taxable income. Certain of these requirements must be met on a continuous basis throughout the term of the 2023 Bonds. These requirements include: (a) limitations as to the use of proceeds of the 2023 Bonds; (b) limitations on the extent to which proceeds of the 2023 Bonds may be invested in higher yielding investments; and (c) a provision, subject to certain limited exceptions, that requires all investment earnings on the proceeds of the 2023 Bonds above the yield on the 2023 Bonds to be paid to the United States Treasury. The System will covenant and represent in the Bond Resolution that it will take all steps to comply with the requirements of the Tax Code to the extent necessary to maintain the exclusion of interest on the 2023 Bonds from gross income and alternative minimum taxable income under such federal income tax laws in effect when the 2023 Bonds are delivered. Bond Counsel's opinion as to the exclusion of interest on the 2023 Bonds from gross income and alternative minimum taxable income is rendered in reliance on these covenants and assumes continuous compliance therewith. The failure or inability of the System to comply with these requirements could cause the interest on the 2023 Bonds to be included in gross income, alternative minimum taxable income or both from the date of issuance. Bond Counsel's opinion also is rendered in reliance upon certifications of the System and other certifications furnished to Bond Counsel. Bond Counsel has not undertaken to verify such certifications by independent investigation.

Section 55 of the Tax Code contains a 15% alternative minimum tax on the "adjusted financial statement income" of "applicable corporations" (as those terms are defined in Sections 56A and 59(k), respectively, of the Tax Code). "Applicable corporations" are generally corporations with average annual adjusted financial statement income over a three-year period of $1 billion or more. "Adjusted financial statement income" generally means the net income or loss of a corporation (including interest on the 2023 Bonds) as set forth on the corporation's applicable financial statement, adjusted as provided in Section 56A of the Tax Code. This 15% alternative minimum tax is applicable for tax years beginning after December 31, 2022. Corporations should consult their tax advisors about whether the corporation is an "applicable corporation" and if the corporation is such an applicable corporation, about the calculation of "adjusted financial statement income" and the alternative minimum tax for the corporation.

The Tax Code contains numerous provisions which may affect an investor's decision to purchase the 2023 Bonds. Owners of the 2023 Bonds should be aware that the ownership of tax-exempt obligations by particular persons and entities, including, without limitation, financial institutions, insurance companies, recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, foreign corporations doing business in the United States and certain "subchapter S" corporations may result in adverse federal and state tax consequences. Under Section 3406 of the Tax Code, backup withholding may be imposed on payments on the 2023 Bonds made to any owner who fails to provide certain required information, including an accurate taxpayer identification number, to certain persons required to collect such information pursuant to the Tax Code. Backup withholding may also be applied if the owner underreports "reportable payments" (including interest and dividends) as defined in Section 3406, or fails to provide a certificate that the owner is not subject to backup withholding in circumstances where such a certificate is required by the Tax Code. Certain of the 2023 Bonds were sold at a premium, representing a difference between the original offering price of those 2023 Bonds and the principal amount thereof payable at maturity. Under certain circumstances, an initial owner of such bonds (if any) may realize a taxable gain upon their disposition, even though such bonds are sold or redeemed for an amount equal to the owner's acquisition cost. Bond Counsel's opinion relates only to the exclusion of interest on the 2023 Bonds from gross income and alternative minimum taxable income as described above and will state that no opinion is expressed regarding other federal tax consequences arising from the receipt or accrual of interest on or ownership of the 2023 Bonds. Owners of the 2023 Bonds should consult their own tax advisors as to the applicability of these consequences.

The opinions expressed by Bond Counsel are based on existing law as of the delivery date of the 2023 Bonds. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to pending or proposed legislation. Amendments to the federal or state tax laws may be pending now or could be proposed in the future that, if enacted into law, could adversely affect the value of the 2023 Bonds, the exclusion of interest on the 2023 Bonds from gross income or alternative minimum taxable income or both from the date of issuance of the 2023 Bonds or any other date, the tax value of that exclusion for different classes of taxpayers from time to time, or that could result in other adverse tax consequences. In addition, future court actions or regulatory decisions could affect the tax treatment or market value of the 2023 Bonds. Owners of the 2023 Bonds are advised to consult with their own tax advisors with respect to such matters.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the 2023 Bonds. If an audit is commenced, the market value of the 2023 Bonds may be adversely affected. Under current audit procedures the Service will treat the System as the taxpayer and the 2023 Bond owners may have no right to participate in such procedures. The System has covenanted in the Bond Resolution not to take any action that would cause the interest on the 2023 Bonds to lose its exclusion from gross income for federal income tax purposes or lose its exclusion from alternative minimum taxable income except to the extent described above for the owners thereof for federal income tax purposes. None of the System, the Municipal Advisor, the Initial Purchaser, Bond Counsel or Special Counsel is responsible for paying or reimbursing any 2023 Bond holder with respect to any audit or litigation costs relating to the 2023 Bonds.

State Tax Exemption

The 2023 Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS.

RATINGS

Moody's Investors Service ("Moody's") and Standard & Poor's Ratings Services ("S&P") have assigned the 2023 Bonds the respective ratings shown on the cover page of this Official Statement. An explanation of the significance of any ratings given by S&P may be obtained from S&P at 55 Water Street, New York, New York 10041. An explanation of the significance of any ratings given by Moody's may be obtained from Moody's at 7 World Trade Center at 250 Greenwich Street, New York, NY 10007.

There is no assurance that such ratings will continue for any given period of time or that they will not be lowered or withdrawn entirely if, in the judgment of the rating agencies, circumstances so warrant. Other than the System's obligations under the Disclosure Certificate, neither the System nor the Municipal Advisor has undertaken any responsibility either to bring to the attention of the owners of the 2023 Bonds any proposed change in or withdrawal of such ratings or to oppose any such proposed revision. Any such change in or withdrawal of the ratings could have an adverse effect on the market price of the 2023 Bonds.

INDEPENDENT ACCOUNTANTS

The financial statements of the Nevada System of Higher Education as of and for the fiscal year ended June 30, 2022, included herein as Appendix A, have been audited by Grant Thornton LLP, certified public accountants, as stated in their report appearing herein.

Pursuant to State law, the audited financial statements of the System are public documents and no consent from the auditors is required to be obtained prior to inclusion of the audited financial statements in this Official Statement. Accordingly, the System has not requested that Grant Thornton LLP provide consent for inclusion of its audited financial statements in this Official Statement. Grant Thornton LLP has also not participated in any way in the preparation of this Official Statement. Further, since the date of its report, Grant Thornton LLP has not been engaged to perform nor has it performed any procedures on the financial statements addressed in its report, nor has Grant Thornton LLP performed any procedures relating to this Official Statement.

MUNICIPAL ADVISOR

JNA Consulting Group, LLC is serving as the Municipal Advisor to the System in connection with the 2023 Bonds. See "INTRODUCTION – Additional Information" for contact information for the Municipal Advisor. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in the Official Statement, or any other related information available to the System, with respect to the accuracy and completeness of disclosure of such information, and no guaranty, warranty or other representation is made by the Municipal Advisor respecting accuracy and completeness of the Official Statement or any other matter related to the Official Statement.

UNDERWRITING

The System sold the 2023 Bonds at public sale to Morgan Stanley & Co. LLC at a price of $87,134,672.25 (equal to the par amount of the 2023 Bonds, less Underwriter's discount of $83,625.15, plus original issue premium of $9,933,297.40).

Morgan Stanley & Co. LLC, an underwriter of the 2023 Bonds, has entered into a distribution agreement with its affiliate, Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the 2023 Bonds.

OFFICIAL STATEMENT CERTIFICATION

The undersigned official of the System hereby confirms and certifies that the execution and delivery of this Official Statement and its use in connection with the offering and sale of the 2023 Bonds have been duly authorized by the Board.

FOR AND ON BEHALF OF THE NEVADA
SYSTEM OF HIGHER EDUCATION

By: /s/ Andrew Clinger
Chief Financial Officer

APPENDIX A

AUDITED FINANCIAL STATEMENTS OF THE SYSTEM AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

Nevada System of Higher Education
Financial Statements
For the Year Ended June 30, 2022

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

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Mrs. Keri D. Nikolajewski, Interim Chief of Staff

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Nevada System of Higher Education

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Dr. DeRionne Pollard, President
Nevada State College

Document Prepared by the Finance Department
Office of the Chancellor

NEVADA SYSTEM OF HIGHER EDUCATION
FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022
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NEVADA SYSTEM OF HIGHER EDUCATION
FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2022

INTRODUCTION

BACKGROUND

The Nevada System of Higher Education (NSHE), established by the Nevada State Constitution of 1864, is state supported, and controlled by the Board of Regents whose duties are prescribed by Law. Instruction began at the University of Nevada in 1874. NSHE teaching institutions are fully accredited by the Northwest Association of Schools and Colleges. Eight separate institutions and a system administration office comprise 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. In addition to the controllers' offices, two business centers (Business Center North (BCN) in Reno, Business Center South (BCN) in Las Vegas) and purchasing offices at UNLV and CSN provide the purchasing and property management functions for the NSHE institutions and administration.

The controllers' offices are responsible for the financial management of the institutions. The Office of Contracts and Grants or Sponsored Programs within the respective institutions 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.

The major units of UNR include the College of Agriculture, Biotechnology and Natural Resources, College of Business, College of Education and Human Development, College of Engineering, College of Liberal Arts, College of Science, Orvis School of Nursing, School of Public Health, Graduate School, Reynolds School of Journalism, School of Social Work, 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.

The major units of UNLV include the Lee Business School, College of Education, Howard R. Hughes College of Engineering, College of Fine Arts, Graduate College, Honors College, William F. Harrah College of Hospitality, School of Integrated Health Sciences, College of Liberal Arts, School of Nursing, School of Public Health, College of Sciences, Greenspun College of Urban Affairs, William S. Boyd School of Law, School of Dental Medicine, and the Kirk Kerkorian School of Medicine. UNLV offers major fields of study leading to baccalaureate and advanced degrees through academic departments in the various schools and colleges

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, 2022, 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, 2022

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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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Regents
Nevada System of Higher Education

Report on the financial statements

Opinions
We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of Nevada System of Higher Education (the Entity), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Entity's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Entity as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinions
We conducted our audit of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Entity and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of matter
As discussed in Note 2 to the financial statements, the Entity has adopted new accounting guidance on July 1, 2021 related to the accounting for leases under GASB Statement No.87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of management for the financial statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

We did not audit the financial statements of: University of Nevada, Reno Foundation; Wolf Pack Athletic Association (formerly Athletic Association, University of Nevada Inc.); Desert Research Institute Foundation; Desert Research Institute Research Parks LTD; Western Nevada College Foundation; Great Basin College Foundation; University of Nevada, Las Vegas Foundation; University of Nevada, Las Vegas Research Foundation; Rebel Golf Foundation; University of Nevada, Las Vegas Alumni Association; College of Southern Nevada Foundation; and Nevada State College Foundation, which statements collectively reflect total assets constituting 95% of the aggregate discretely presented component units' total assets as of June 30, 2022 and total operating revenues of 50% of the aggregate discretely presented component units' total operating revenues for the year then ended as described in Note 23 "System Related Organizations." Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it related to the amounts included for these organizations, is based solely on the reports of the other auditors.

The financial statements of Great Basin College Foundation; Rebel Golf Foundation; University of Nevada, Las Vegas Alumni Association; and Nevada State College Foundation were not audited in accordance with Government Auditing Standards for the year ended June 30, 2022.

Required supplementary information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of the net pension liability, the schedule of the System's contributions for the total net pension liability, the schedule of proportionate share of the net OPEB liability, the schedule of the System's contributions for the net OPEB liability, and the notes to the required schedules for the net OPEB liability, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with US GAAS. These limited procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Entity's basic financial statements. The combining schedule of net position and the combining schedule of revenues, expenses and changes in net position are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures. These additional procedures included comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with US GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2023 on our consideration of the Entity'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. The purpose of that report is solely 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 Entity'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* in considering the Entity's internal control over financial reporting and compliance.

Grant Thornton LLP

San Jose, California
March 31, 2023

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Unaudited

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, 2022. 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, 2022, with comparative information as of June 30, 2021.

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.

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 (the System or NSHE) entity:

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

This annual financial report and statements include the above institutions of the System as well as certain other organizations, also called component units, which 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 UNLV Medicine, to facilitate patient care activities. The System component units are as follows:

University of Nevada, Reno Foundation
Wolf Pack Athletic Association (formerly Athletic Association, University of Nevada Inc.)
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
University of Nevada, Las Vegas Research Foundation
University of Nevada, Las Vegas Medicine, Inc.
Rebel Golf Foundation
University of Nevada, Las Vegas Alumni Association
University of Nevada, Las Vegas Rebel Football Foundation
University of Nevada, Las Vegas Rebel Soccer Foundation
University of Nevada, Las Vegas Singapore Unlimited
College of Southern Nevada Foundation
Nevada State College Foundation

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

SYSTEM FINANCIAL HIGHLIGHTS FROM 2021 TO 2022 (in $1,000's)

- Total net position increased by 0.2% from $2,034,372 to $2,037,539;
- Capital assets increased by 3.5% from $2,551,751 to $2,639,908;
- Operating revenues increased by 10.8% from $998,991 to $1,107,003;
- Nonoperating revenues decreased by 9.9% from $1,040,845 to $938,010; and
- Operating expenses increased by 8.7% from $1,887,808 to $2,052,428.

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 as a result of the year's activities. There are three key components to answering this question. They are the Combined Statements of Net Position; the Combined Statements of Revenues, Expenses and Changes in Net Position; and the Combined Statements of Cash Flows. These statements present financial information in a form similar to that used by corporations. The System's net position (the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources) 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 Combined Statements of Net Position include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources. 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 Combined Statements of Revenues, Expenses, and Changes in Net Position present the revenues earned and expenses incurred during the year. Activities are reported as either operating or nonoperating. 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 nonoperating revenues. The utilization of long-lived assets, referred to as capital assets, is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

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

CONDENSED FINANCIAL INFORMATION

ASSETS AND LIABILITIES

The Combined Statements of Net Position is a point-in-time financial statement presenting the financial position of the System as of June 30, 2022, with a comparison made to June 30, 2021. This Statement presents end-of-year data for Assets (current and non-current), Deferred Outflows of Resources, Liabilities (current and non-current), Deferred Inflows of Resources, and Net Position (assets plus deferred outflows of resources minus liabilities plus deferred inflows of resources).

System Net Position (in $1,000's)

	2022	2021	Increase/ (Decrease)	Percent Change
Assets				
Current assets	$ 1,096,457	$ 1,125,715	$ (29,258)	-2.6%
Capital assets, net	2,639,908	2,551,751	88,157	3.5%
Other assets	402,686	395,462	7,224	1.8%
Total Assets	4,139,051	4,072,928	66,123	1.6%
Deferred Outflows of Resources	215,711	146,519	69,192	47.2%
Liabilities				
Current liabilities	342,241	327,332	14,909	4.6%
Noncurrent liabilities	1,669,197	1,791,527	(122,330)	-6.8%
Total Liabilities	2,011,438	2,118,859	(107,421)	-5.1%
Deferred Inflows of Resources	305,785	66,216	239,569	361.8%
Net Position				
Net investment in capital assets	1,850,785	1,830,789	19,996	1.1%
Restricted - Nonexpendable	92,763	92,689	74	0.1%
Restricted - Expendable	331,194	353,829	(22,635)	-6.4%
Unrestricted	(237,203)	(242,935)	5,732	-2.4%
Total Net Position	$ 2,037,539	$ 2,034,372	$ 3,167	0.2%

<u>Assets</u>

Total assets of the System are currently showing an increase of $66.1 million, or 1.6%. The increase that occurred in current assets, capital assets and other assets was primarily driven by an increase in net capital assets of $88.2 million. Due to the adoption on July 1, 2021 of GASB 87, net capital assets include Right-of-Use (ROU) assets and a net restatement of $39.1 million was the result. Current assets decreased by $29.3 million primarily driven by a decrease of cash and cash equivalents of $73.9 million, decrease in net accounts receivable of $12.5 million, decrease in receivable from the State of Nevada of $10.4 million being offset by an increase in short-term investments of $57.7 million and leases receivables of $7.8 million.

Liabilities

Total liabilities for the year decreased by $107.4 million primarily driven by a decrease in net pension liability of $151 million and short-term unearned revenue of $8.3 million being offset by increase in accounts payable of $8.8 million, accrued payroll and related liabilities of $9.2 million, lease payables of $37 million, and net OPEB liability of $14.8 million. Due to the adoption on July 1, 2021 of GASB 87, the restatement of ROU assets at the beginning of the year resulted in a restatement of leases payable at the beginning of the year of $39.1 million.

Deferred Outflows/Inflows of Resources

Deferred outflows of resources, a future consumption of net position, increased by $69.2 million. This increase relates to the pension-related deferred outflows of resources. Similarly, deferred inflows of resources, a future acquisition of net position, increased by $239.6 million. This relates to increases in pension-related inflows of $203.2 million and leases of $45 million due to the adoption of GASB 87, partially being offset by a decrease in other post-employment benefits of $17.7 million.

Net Position

Net position is divided into three major categories. The first category, net investment in capital assets, provides the equity in property, plant, and equipment owned by the System. The next category is restricted net position, which is presented as two subcategories: nonexpendable and expendable. The corpus of nonexpendable restricted resources is only available for investment purposes. Expendable restricted net position is 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 position (deficit) which represents net assets available to the System for any lawful purpose. Under generally accepted accounting principles, net position that is not subject to externally imposed restrictions governing their use must be classified as unrestricted for financial reporting purposes. Unrestricted net position is negative due primarily to obligations for pension and retiree health benefits exceeding the System's assets available to pay such obligations. Although unrestricted net position is not subject to externally imposed restrictions, substantially all the System's reserves are allocated for academic and research initiatives or programs, for capital projects or for other purposes.

Net Investment in Capital Assets

The net investment in capital assets represents the System's capital assets net of accumulated depreciation and outstanding principal balances of debt attributed to the acquisition, construction, or improvement of those assets. The $20 million increase reflects the System's expenditures for development and renewal of its capital assets, offset by depreciation expense on capital assets and increased debt associated with capital assets.

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.

Net investment in capital assets increased by $20 million while Restricted - Expendable decreased by $22.6 million.

Unrestricted Net Position (deficit)

Unrestricted net position (deficit) decreased by $5.7 million in 2022. Although unrestricted net position is not subject to externally imposed stipulations, substantially all the System's unrestricted net position has 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

Net Position (in $1,000's)

	2022	2021	Increase (Decrease)	Percent Change
Assets				
Current assets	$ 415,667	$ 466,590	$ (50,923)	-10.9%
Capital assets, net	7,462	6,854	608	8.9%
Other assets	528,301	477,693	50,608	10.6%
Total Assets	951,430	951,137	293	0.0%
Deferred Outflows of Resources	7	96	(89)	-92.7%
Liabilities				
Current liabilities	22,646	21,469	1,177	5.5%
Noncurrent liabilities	15,716	3,192	12,524	392.4%
Total Liabilities	38,362	24,661	13,701	55.6%
Deferred Inflows of Resources	18,844	13,655	5,189	38.0%
Net Position				
Net investment in capital assets	7,121	8,886	(1,765)	-19.9%
Restricted - Nonexpendable	392,671	369,799	22,872	6.2%
Restricted - Expendable	439,453	473,514	(34,061)	-7.2%
Unrestricted	54,986	60,718	(5,732)	-9.4%
Total Net Position	$ 894,231	$ 912,917	$ (18,686)	-2.0%

The campus foundations, athletic foundations, and medical practice plan, as System Related Organizations, continue to support the campuses in their long-range plans and provide support for construction of facilities as well as scholarships and other operating costs. Changes in the above schedule primarily reflect the foundations' decrease in investments and increases in liabilities.

REVENUES, EXPENSES AND CHANGES IN NET POSITION

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

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

The total Change in Net Position for fiscal year ended June 30, 2022, was an increase of $3.2 million compared with an increase of $161.4 million for fiscal year ended June 30, 2021, a decrease of $158.2 million.

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

	2022	2021	Increase/ (Decrease)	Percent Change
Operating Revenues				
Student tuition and fees	$ 477,348	$ 473,526	$ 3,822	0.8%
Federal grants and contracts	268,295	227,581	40,714	17.9%
Grants and contracts, other	95,560	99,700	(4,140)	-4.2%
Sales and services	254,583	184,436	70,147	38.0%
Other	11,217	13,748	(2,531)	-18.4%
Total Operating Revenues	1,107,003	998,991	108,012	10.8%
Operating Expenses				
Employee compensation and benefits	(1,245,173)	(1,268,037)	(22,864)	-1.8%
Utilities	(30,109)	(24,339)	5,770	23.7%
Supplies and services	(448,976)	(345,650)	103,326	29.9%
Scholarships and fellowships	(195,329)	(129,133)	66,196	51.3%
Depreciation	(132,841)	(120,649)	12,192	10.1%
Total Operating Expenses	(2,052,428)	(1,887,808)	164,620	8.7%
Operating Income (Loss)	(945,425)	(888,817)	56,608	6.4%
Nonoperating Revenues (Expenses)				
State appropriations	639,655	550,638	89,017	16.2%
Gifts	52,702	55,093	(2,391)	-4.3%
Investment income (loss), net	(79,347)	204,357	(283,704)	-138.8%
Gain (loss) on disposal of capital assets	(5,189)	2,141	(7,330)	-342.4%
Interest expense	(26,577)	(26,973)	396	-1.5%
Intergovernmental revenue	50	-	50	0.0%
Payments to System campuses and divisions	(3,465)	(1,696)	(1,769)	104.3%
Other nonoperating revenues	6,115	(5,046)	11,161	-221.2%
Federal grants and contracts	354,066	262,331	91,735	35.0%
Total Nonoperating Revenues	938,010	1,040,845	(102,835)	-9.9%
Total Other Revenues	10,582	9,337	1,245	13.3%
Increase (Decrease) in Net Position	3,167	161,365	(158,198)	-98.0%
Net position - beginning of year	2,034,372	1,873,007	161,365	8.6%
Net position - end of year	$ 2,037,539	$ 2,034,372	$ 3,167	0.2%

Operating Revenue – Student Tuition and Fees remained stable. A four percent increase in tuition and fee rates offset the small reductions in student enrollment. Federal grants and contracts increased by $40.7 million, or 17.9%. This was primarily from the federal resources provided by the Federal Government related to the COVID-19 pandemic. Sales and services increased by $70 million primarily from the increase in auxiliary and self-supporting activities that rebounded after the COVID-19 pandemic.

The increase in operating expenses was driven by an increase in supplies and services and scholarships and fellowships. Partial restoration of the prior year State budget cuts and restoration of most campus activities, reduced as a resulting of the COVID-19 pandemic, contributed to the increase in operating expenditures.

Nonoperating net revenues decreased by $103 million, or 9.9%. This was led by a net investment loss of $284 million. In 2021, the investment markets surged. In FY22 the markets took a down-turn. The restoration of state appropriations of $89 million and increases in federal grants and contracts of $92 million helped offset the decrease of investment losses in fiscal year 2022.

Other Revenue remained steady.

System Related Organizations (in $1,000s)

Component entities' ending net position decreased $17.2 million from 2021 to 2022, as shown in the following schedule.

	2022	2021	Increase (decrease)	Percent Change
Operating Revenues				
Patient revenue	$ 40,490	$ 54,918	$ (14,428)	-26.3%
Contract revenue	14,725	18,812	(4,087)	-21.7%
Contributions	64,866	69,102	(4,236)	-6.1%
Campus Support	6,831	8,612	(1,781)	-20.7%
Special events and fundraising	1,879	725	1,154	159.2%
Other operating revenues	14,866	11,215	3,651	32.6%
Total Operating Revenues	143,657	163,384	(19,727)	-12.1%
Operating Expenses				
Employee compensation and benefits	(29,425)	(37,055)	(7,630)	-20.6%
Supplies and services	(6,710)	(15,895)	(9,185)	-57.8%
Program expenses, System Related Organizations	(16,040)	(17,412)	(1,372)	-7.9%
Depreciation	(4,533)	(1,290)	3,243	251.4%
Other operating expenses	(2,656)	(1,970)	686	34.8%
Total Operating Expenses	(59,364)	(73,622)	(14,258)	-19.4%
Operating Income (Loss)	84,293	89,762	(5,469)	-6.1%

Nonoperating Revenues (Expenses)				
Investment income (loss), net	(39,345)	152,784	(192,129)	-125.8%
Payments to System campuses and divisions	(96,486)	(120,345)	23,859	-19.8%
Other nonoperating revenues (expenses)	1,748	22,051	(20,303)	-92.1%
Total Nonoperating Revenues (Expenses)	(134,083)	54,490	(188,573)	-346.1%
Income (Loss) before other revenue (expenses)	(49,790)	144,252	(194,042)	-134.5%
Other Revenues (Expenses)				
Additions to permanent endowments	32,767	12,945	19,822	153.1%
Other Foundation expenses	(189)	331	(520)	-157.1%
Total Other Revenues (Expenses)	32,578	13,276	19,302	145.4%
Increase (Decrease) in Net Position	(17,212)	157,528	(174,740)	-110.9%
NET POSITION				
Net position - beginning of year	912,917	755,389	157,528	20.9%
ICS/Renown transfer	(1,474)	-	(1,474)	0.0%
Net position - end of year	$ 894,231	$ 912,917	$ (18,686)	-2.0%

CASH FLOWS (in $1,000's)

Net cash flows decreased when compared to 2021 as discussed further below. Net operating cash flows (amount of cash from operating activities) decreased 14%.

	2022	2021	Increase/ (Decrease)	Percent Change
Operating activities	$ (839,839)	$ (736,101)	$ (103,738)	-14%
Noncapital financing	1,052,137	804,670	247,467	31%
Capital financing activities	(159,730)	(157,147)	(2,583)	-2%
Investing activities	(121,153)	55,853	(177,006)	-317%
Net increase (decrease) in cash	(68,585)	(32,725)	(35,860)	-110%
Cash – beginning of year	199,746	232,471	(32,725)	-14%
Cash – end of year	$ 131,161	$ 199,746	$ (68,585)	-34%

Cash flows from operating activities decreased by $103.7 million. The largest increases in revenue came from grants and contracts of $60.2 million, sales and services of educational departments of $14.3 million, and sales and services of auxiliary departments of $35.9 million. The largest increases in expenditures were payments to suppliers of $107.5 million, compensation and benefits of $35.5 million, and payments for scholarships and fellowships of $66.8 million.

Cash flows from noncapital financing increased by $247.5 million. This increase was primarily related to the increase in cash received from State appropriations of $103.6 million and Federal grants and contracts of $144.3 million.

Cash flows from capital and related financing activities decreased by $2.6 million.

Cash flows from investing activities decreased by $177 million as the result of investment activity.

CAPITAL ASSET AND DEBT ADMINISTRATION

As of June 30, 2022, the System had invested $2,639.9 million in a broad range of capital assets, including buildings, machinery and equipment, library books and media, art and other valuable collections, intangible assets, leased assets and land. This represents a net increase (including additions and deletions) of $88.2 million over June 30, 2021.

During fiscal year 2022, no Long-term Debt was issued for capital projects. As of June 30, 2022, the coverage on the University Revenue Bonds (pledged revenues to maximum annual debt service) was 7.34 times, above minimum required coverage of 1.50. For statutory purposes, the coverage was 1.60 times, above the minimum required coverage of 1.10. As of June 30, 2022, the coverage on the Community College Revenue Bonds (pledged revenues to maximum annual debt service) was 18.11 times, above the minimum required coverage of 1.50. For statutory purposes, the coverage was 2.42 times, above the minimum required coverage of 1.10. Coverage for the System's Revenue Bonds is based upon two formulas. The statutory coverage ratio is based upon pledged revenues described in Nevada Revised Statutes authorizing the issuance of revenue bonds. A second, comprehensive coverage ratio, is based upon all revenues pledged to the bonds (including the statutory revenues) in the bond resolutions adopted by the Board of Regents. The statutory and comprehensive coverage ratios feature different minimum coverage thresholds that govern the issuance of additional revenue bond debt.

FUTURE FINANCIAL EFFECTS

In recent years the demand for higher education services in Nevada has generally remained flat. In fiscal year 2022, the System realized a net loss of student full time equivalent (FTE) enrollment of 2.3% or 1,587.97 average annual FTE students' system-wide compared to fiscal year 2021. Student FTE enrollments increased slightly at the state college and one community college. Student FTE enrollments decreased slightly at the universities and the other community colleges. These trends are generally consistent with those seen in other public higher education institutions nationally, and the System anticipates enrollments system-wide in fiscal year 2023 will exceed enrollments in fiscal year 2022 as the pandemic subsides.

The legislatively approved System operating budget includes state appropriations and authorized expenditures (State Supported Operating Budget). The Operating Budget totals $1,069.6 million for fiscal year 2022. This compares to the fiscal year 2021 Operating Budget of $960 million and represents an 11.4% increase. General Fund revenues of $639 million in fiscal year 2022 increased when compared to the General Fund revenues of $579 million in fiscal year 2021 by $60 million or 10.3% due mainly to legislative actions that restored state funding after a reduction of almost 20% in 2021 in response to the pandemic that led to reductions in state tax revenue.

Other authorized revenue sources, consisting mainly of student fee revenues, total $438 million in fiscal year 2023, approximately $7 million more than in fiscal year 2022, remaining relatively flat with American Rescue Plan funds of $46.5 million used to restore positions that would otherwise have been cut to meet required general fund budget reductions. Student fees remain stable at approximately 35% of the State Supported Operating Budget and are expected to do so for the foreseeable future.

Student enrollment system-wide is not anticipated to exceed projected and budgeted enrollment in fiscal year 2023; however individual institutions may exceed projected enrollment and therefore pursuant to Senate Bill 459 of the 2021 legislative session, the System may budget and expend, in the State Supported Operating Budget, any additional collections of student fee revenues over budgeted revenues due to increased enrollments or Board of Regent authorized increases in registration or non-resident tuition fees. As before, it is expected that these funds will be expended in direct support of the increased student enrollments through instruction and related support services.

Since March 17, 2020, the spread of COVID-19 has severely impacted many state and local economies around the country. In many states, colleges and universities are being forced to cease or restructure operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services triggered significant disruptions to operations nationally, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. As of June 30, 2022, the date of these financial statements, operations have substantially returned to pre-pandemic levels. State and non-state revenues have rebounded substantially, and we anticipate they will continue to improve in Fiscal 2023. The System has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended June 30, 2022, have not been adjusted to reflect their impact.

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.

NEVADA SYSTEM OF HIGHER EDUCATION
COMBINED STATEMENTS OF NET POSITION (in $1,000's)
AS OF JUNE 30, 2022

	System	System Related Organization
ASSETS		
Current Assets		
Cash and cash equivalents	$ 71,513	$ 92,291
Restricted cash and cash equivalents	133	8,269
Short-term investments	777,364	286,712
Accounts receivable, net	49,173	3,855
Receivable from U.S. Government	145,887	1,401
Receivable from State of Nevada	6,772	-
Pledges receivable, net	-	6,143
Patient accounts receivable, net	-	6,909
Current portion of loans receivable, net	918	27
Due from System Related Organizations	4,873	1,910
Leases Receivable	4,852	-
Leases Receivable Due from Related Organizations	2,927	-
Inventories	10,341	383
Deposits and prepaid expenditures, current	20,422	246
Other current assets	1,282	7,521
Total Current Assets	1,096,457	415,667
Noncurrent Assets		
Cash held by State Treasurer	31,506	-
Restricted cash and cash equivalents	28,009	-
Receivable from State of Nevada	209	-
Investments	-	80,487
Restricted investments	-	16,098
Endowment investments	290,590	359,603
Deposits and prepaid expenditures	1,308	-
Loans receivable, net	4,770	93
Leases Receivable	31,157	-
Leases Receivable Due from Related Organizations	14,987	-
Capital assets, net	2,639,908	7,462
Pledges receivable, net	-	22,758
Other noncurrent assets	150	49,262
Total Noncurrent Assets	3,042,594	535,763
TOTAL ASSETS	4,139,051	951,430
DEFERRED OUTFLOWS OF RESOURCES		
OPEB related	50,742	-
Loss on bond refunding	8,730	-
Pension related	156,239	-
Intra-entity sales of future revenues	-	7
TOTAL DEFERRED OUTFLOWS OF RESOURCES	215,711	7

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

NEVADA SYSTEM OF HIGHER EDUCATION
COMBINED STATEMENTS OF NET POSITION (in $1,000's)
(CONTINUED)
AS OF JUNE 30, 2022

	System	System Related Organization
LIABILITIES		
Current Liabilities		
Accounts payable	57,748	6,109
Accrued payroll and related liabilities	102,797	1,199
Unemployment insurance and workers' compensation	4,159	-
Due to other institutions	91	-
Due to System Related Organizations	1,910	4,873
Current portion of compensated absences	41,058	-
Current portion of long-term debt	42,124	-
Current portion of leases payable	8,538	84
Leases Payable Due to Related Organizations	-	2,927
Accrued interest payable	12,719	-
Unearned revenue	64,735	1,222
Funds held in trust for others	3,143	43
Other current liabilities	3,219	6,189
Total Current Liabilities	342,241	22,646
Noncurrent Liabilities		
Refundable advances under federal loan programs	4,146	-
Compensated absences	23,558	-
Long-term debt	717,913	-
Lease Payable Due to Related Organizations, LT	-	14,987
Leases payable	28,439	14
Unearned revenue	-	287
Net pension liability	272,974	-
Net OPEB Liability	621,544	-
Other noncurrent liabilities	623	428
Total Noncurrent Liabilities	1,669,197	15,716
TOTAL LIABILITIES	2,011,438	38,362
DEFERRED INFLOWS OF RESOURCES		
Service Concession Arrangements	1,210	-
Deferred Inflows on Leases	53,971	11,751
OPEB Related	25,351	-
Gain on bond refunding	594	-
Pension related	224,659	-
Split-interest agreements	-	7,093
TOTAL DEFERRED INFLOWS OF RESOURCES	305,785	18,844
NET POSITION		
Net investment in capital assets	1,850,785	7,121
Restricted - Nonexpendable	92,763	392,671
Restricted - Expendable - Scholarships, research and instruction	229,778	433,038
Restricted - Expendable - Loans	6,435	-
Restricted - Expendable - Capital projects	55,343	1,271
Restricted - Expendable - Debt service	39,638	-
Restricted - Expendable - Other	-	5,144
Unrestricted	(237,203)	54,986
TOTAL NET POSITION	$ 2,037,539	$ 894,231

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 POSITION (in $1,000's)
AS OF JUNE 30, 2022

	System	System Related Organization
Operating Revenues		
Student tuition and fees (net of scholarship allowance of $209,511)	$ 477,348	$ -
Federal grants and contracts	268,295	-
State grants and contracts	52,260	-
Local grants and contracts	3,645	-
Other grants and contracts	39,655	-
Campus support	-	6,831
Sales and services of educational departments (including $32,010 from System Related Organizations)	174,138	-
Sales and services of auxiliary enterprises (net of scholarship allowance of $10,516)	80,445	-
Contributions	-	64,866
Patient revenue	-	40,490
Contract revenue	-	14,725
Special events and fundraising	-	1,879
Interest earned on loans receivable	171	-
Other operating revenues	11,046	14,866
Total Operating Revenues	1,107,003	143,657
Operating Expenses		
Employee compensation and benefits	(1,245,173)	(29,425)
Utilities	(30,109)	-
Supplies and services	(448,976)	(6,710)
Scholarships and fellowships	(195,329)	-
Program expenses, System Related Organizations	-	(16,040)
Depreciation and amortization	(132,841)	(4,533)
Other operating expenses	-	(2,656)
Total Operating Expenses	(2,052,428)	(59,364)
Operating Income (Loss)	(945,425)	84,293
Nonoperating Revenues (Expenses)		
State appropriations	639,655	-
Gifts (including $50,185 from System Related Organizations)	52,702	-
Investment loss, net	(79,347)	(39,345)
Loss on disposal of capital assets	(5,189)	-
Interest expense	(26,577)	(192)
Intergovernmental revenue	50	-
Payments to System campuses and divisions	(3,465)	(96,486)
Other nonoperating revenues	6,115	1,940
Federal grants and contracts	354,066	-
Total Nonoperating Revenues	938,010	(134,083)
Loss Before Other Revenue (Expenses)	(7,415)	(49,790)
Other Revenues (Expenses)		
State reversions restricted for capital purposes	(5,627)	-
Capital grants and gifts (including $15,467 from System Related Organizations)	15,591	-
Return of Capital Gifts	(29)	-
Additions to permanent endowments (including $611 to System Related Organizations)	647	32,767
Other Foundation expenses	-	(189)
Total Other Revenues	10,582	32,578
Increase (Decrease) in Net Position	3,167	(17,212)
NET POSITION		
Net position - beginning of year	2,034,372	911,443
Net position - end of year	$2,037,539	$ 894,231

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)
AS OF JUNE 30, 2022

	System
Cash flows from operating activities	
Tuition and fees	$ 470,639
Grants and contracts	360,543
Payments to suppliers	(459,958)
Payments for utilities	(29,363)
Payments for compensation and benefits	(1,265,587)
Payments for scholarships and fellowships	(195,518)
Loans issued to students and employees	(794)
Collection of loans to students and employees	947
Sales and services of educational departments	168,948
Sales and services of auxiliary enterprises	80,115
Insurance recoveries	11,458
Receipts under third party events	8,267
Disbursements under third party event disbursements	(6,338)
Receipts under federal student loan programs	116,630
Disbursements under federal student loan programs	(111,237)
Receipts under External award receipts and others	12,227
Disbursments under External award distributions and others	(11,437)
Other receipts	10,619
Cash flows from operating activities	(839,839)
Cash flows from noncapital financing activities	
State appropriations	646,609
Transfers from System Administration	(3,465)
Gifts and grants for other than capital purposes	51,947
Gift for endowment purposes	547
Other	5,932
Principal paid on noncapital debt	(2,984)
Federal grants and contracts	353,905
Interest paid on noncapital debt	(354)
Cash flows from noncapital financing activities	1,052,137
Cash flows from capital and related financing activities	
Payments for debt issuance costs	(446)
Capital appropriations	21,917
Capital grants and gifts received	14,581
Bond issuance and refunding	74,503
Purchases of capital assets	(176,649)
Proceeds from sale of property and equipment	1,340
Principal paid on capital debt	(85,455)
Interest paid on capital debt	(29,661)
Insurance recoveries for capital assets	20,042
Deposits for the acquisition of property and equipment	98
Cash flows from capital and related financing activities	(159,730)
Cash flows from investing activities	
Proceeds from sales and maturities of investments	230,410
Purchase of investments	(359,146)
Interest and dividends received on investments	11,128
Net (increase) decrease in cash equivalents, noncurrent investments	(3,545)
Cash flows from investing activities	(121,153)
Net decrease in cash	(68,585)
Cash and cash equivalents, beginning of year	199,746
Cash and cash equivalents, end of year	$ 131,161

NEVADA SYSTEM OF HIGHER EDUCATION
COMBINED STATEMENT OF CASH FLOWS (in $1,000's)
(CONTINUED)
AS OF JUNE 30, 2022

		System
Reconciliation of operating loss to cash flows from operating activities		
Operating loss	$	(945,425)
Adjustments to reconcile operating loss to cash used in operating activities:		
Supplies expense related to noncash gifts		518
Depreciation and amortization expense		132,841
Change in pension related deferred outflows of resources		(80,608)
Change in pension related deferred inflows of resources		194,007
Change in OPEB related deferred outflows of resources		12,955
Change in OPEB related deferred inflows of resources		(16,941)
Change in service concession arrangements deferred inflows of resources		(321)
Change in lease related deferred inflows of resources		949
Changes in assets and liabilities:		
Accounts receivable, net		(7,805)
Receivable from U.S. Government		(1,263)
Receivable from State of Nevada		2,350
Loans receivable, net		295
Inventories		(629)
Due from other institutions		(6,458)
Due from system related organizations		(1,278)
Deposits and prepaid expenditures		(4,826)
Other assets		(14)
Accounts payable		3,685
Accrued payroll and related liabilities		6,249
Due to other institutions		6,687
Due to System Related Organizations		3,954
Unemployment and workers' compensation insurance liability		(100)
Unearned revenue		(7,049)
Refundable advances under federal loan program		153
Compensated absences		(6,750)
Other liabilities		2,001
Net pension liability		(144,452)
Net OPEB liability		16,621
Deposits held for others		764
Other		51
Cash flows from operating activities	$	(839,839)
Supplemental noncash activities information:		
Loss on disposal of capital assets	$	(4,620)
Capital assets acquired by gifts	$	2,134
Capital assets acquired by incurring lease obligations and accounts payable	$	13,909
University Revenue Refunding Bond Series 2022	$	24,053
Unrealized gains (loss) on investments	$	(156,324)
Right-of-use assets obtained in exchange for lease obligations	$	36,977
System Related Organization debt forgiveness	$	1,992

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

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

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 combined 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. 61, *The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and No. 34.* The System Related Organizations' columns in these combined financial statements are comprised of data from the System's discretely presented campus and athletic foundations and medical school practice plans, which include: University of Nevada, Reno Foundation, Wolf Pack Athletic Association, 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, University of Nevada, Las Vegas Research Foundation, Rebel Golf Foundation, University of Nevada, Las Vegas Alumni Foundation, University of Nevada, Las Vegas Rebel Football Foundation, University of Nevada, Las Vegas Rebel Soccer Foundation, University of Nevada, Las Vegas Singapore Unlimited, University of Nevada Las Vegas Medicine Incorporated, College of Southern Nevada Foundation, and Nevada State College Foundation. These System Related Organizations are included as part of the System's combined 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 year ended June 30, 2022, the foundations distributed $96,486 to the System for both restricted and unrestricted purposes. Complete financial statements for the foundations can be obtained from Rhett Vertrees, Assistant Chief Financial Officer at NSHE, 2601 Enterprise Rd., Reno, NV 89512.

In prior years, the System Related Organizations also include four legally separate non-profit organizations, together known as Integrated Clinical Services, Inc. (ICS). The financial statements of ICS were discretely presented on the System's financial statements. On October 1, 2021 ICS entered into a joint affiliation agreement with Renown Health designed to improve access to care. ICS became a blended component unit of the System and the prior year net position $1,474 is reported within the System's financial statements.

During the year ended June 30, 2022, UNLV Med distributed $28,747 to the System for restricted purposes for salaries and Dean's support. Complete financial statements for UNLV Med can be obtained from Rhett Vertrees, Assistant Chief Financial Officer 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 Position, the Statements of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows. Financial reporting requirements also include Management's Discussion and Analysis of the System's financial position and results of operations.

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

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 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. Restricted cash and cash equivalents represent the unexpended bond proceeds held for construction of major assets. 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 receivables 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 Fiscal year 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. No interest was capitalized during the year ended June 30, 2022. Depreciation is computed on a straight-line basis over the following estimated useful lives:

Assets	Year
Buildings and improvements	40
Land improvements	10 to 15
Machinery and equipment	3 to 11
Library books	5
Leasehold improvements	shorter of useful life or lease term
Intangible assets	10

Collections are capitalized at the acquisition 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.

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

LEASE RECEIVABLE

Lease receivables are recorded by the System as the present value of lease payments expected to be received under all leases other than short term. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. Short term leases, those with a maximum period of 12 months, are recognized as collected.

RIGHT OF USE ASSET

Right-of-Use (ROU) assets are recognized at the lease commencement date and represent the System's right to use an underlying asset for the lease term. ROU assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement and initial direct costs. ROU assets are included in net capital assets on the Combined Statement of Net Position.

LEASE LIABILITY

Lease liabilities represent the System's obligation to make lease payments arising from leases other than short term leases. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments over the remaining lease term. Present value of lease payments are discounted based on a borrowing rate determined by the System. Short term leases, those with a maximum period of 12 months, are expensed as incurred.

UNEARNED REVENUE

Unearned 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 Position.

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 Position include both the notes receivable and the related federal refundable loan liability representing federal capital contributions owed upon termination of the program.

PENSIONS

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of Nevada (PERS) and additions to/deductions from the PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

OTHER POST-EMPLOYMENT BENEFITS (OPEB)

For purposes of measuring the net OPEB liability, deferred outflow of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of NSHE's OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, the plan recognizes benefit payments when due and payable in accordance with the benefit terms. Plan assets are measured at fair value.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the Statements of Net Position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources

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

until then. The System has pension related, other post-employment benefits related and loss on bond refunding balances of $156,239, $50,742 and $8,730 respectively, at June 30, 2022. Pension related deferred outflows of resources are discussed in depth in Note 17 and other post-employment benefits related deferred outflows of resources are discussed in depth in Note 18. A loss on bond refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. System Related Organizations have Intra-equity sales of future revenues of $7 at June 30, 2022.

In addition to liabilities, the Statements of Net Position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources until that time. The System has pension related, other post-employment benefits related, service concession related, gain on bond refunding and unrecognized revenues from other than short term lease balances of $224,659, $25,351, $1,210, $594 and $53,971, respectively, at June 30, 2022, while the System Related Organizations have split-interest agreements and unearned lease revenue of $7,093 and $11,751, respectively, at June 30, 2022.

Pension related deferred inflows of resources are discussed in depth in Note 17. Other post-employment benefits and related deferred inflows of resources are discussed in Note 18. A gain on bond refunding results from the difference in the reacquisition price and the carrying value of refunded debt. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Endowment pledge donations, net, consist of future commitments to donate funds to support an endowment. Unearned lease revenue represents lease revenue that will be recognized in future periods. Leases are discussed in depth in Note 11 and 12.

NET POSITION

Net position is classified as follows:

Net investment in capital assets: This represents the total investment in capital assets and right-of-use assets net of outstanding debt obligations related to those capital assets and lease liabilities related to the right-of-use 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 position – nonexpendable: Nonexpendable restricted net position consists 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 position – expendable: Restricted expendable net position includes resources which must be expended in accordance with restrictions imposed by external third parties.

Unrestricted net position: Unrestricted net position represents 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. Under generally accepted accounting principles, net position that is not subject to externally imposed restrictions governing their use must be classified as unrestricted for financial reporting purposes. Unrestricted net position is negative due primarily to obligations for pension and retiree health benefits exceeding the System's assets available to pay such obligations. Although unrestricted net position is not subject to externally imposed restrictions, substantially all the System's reserves are allocated for academic and research initiatives or programs, for capital projects or for other purposes.

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

FAIR VALUE

The System follows the provisions of the fair value measurement standard which defines the fair value of assets, establishes a framework for measuring the fair value of assets, and outlines the required disclosures related to fair market value measurements. Fair value is "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

A fair value hierarchy for disclosure that classifies inputs for valuation techniques into levels as follows:

Level 1 – Observable inputs are readily available quoted prices (unadjusted) for *identical* assets or liabilities in active markets that a government can access at the measurement date. In the table below, the System's Level 1 assets consist of cash and cash equivalents, bonds, mutual funds and commingled funds with observable market prices. The System does not adjust quoted prices for these investments.

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

Level 2 – Inputs for the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the same term of the financial instrument.

Level 3 – Inputs are unobservable inputs for an asset or liability in which there is little or no market data. Assets in this category generally include investments where independent pricing information was not obtainable for a significant portion of the underlying assets.

Net Asset Value (NAV) – The amount of net assets attributable to each share of capital stock or partnership interest (other than senior equity securities, that is, preferred stock) outstanding at the close of the period and excluded from the three defined levels above.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

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 University Business Officers' Financial Accounting and Reporting Manual.

UNLV MEDICINE, INC.

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 year are recorded as adjustments of the current year's contractual and bad debt adjustments. Substantially all 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 Position. 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 the year ended June 30, 2022, were $14,027.

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

TAX EXEMPTION

The System is an affiliate of a government unit in accordance with the Internal Revenue Service's Revenue Procedure 95-48 and is exempt from federal taxes. The 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.

GASB STATEMENTS IMPLEMENTED IN FISCAL YEAR 2022

GASB Statement No. 87, Leases, effective 2022, establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Limited exceptions to the single approach guidance are provided for short-term leases, defined as lasting a maximum of twelve months at inception, including any options to extend, financed purchases, leases of assets that are investments and certain regulated leases. Leases should be recognized and measured using the facts and circumstances that exist at the beginning of the earliest period presented. Leases are discussed in depth in Note 11 and 12.

Changes adopted to conform to the provisions of this Statement were applied retroactively by restating the financial statements for the earliest period presented, July 1, 2021. The cumulative effect of implementation was the recognition of lease receivable of $45,101 and an offset deferred inflow of resources of $45,101, and the recognition of a lease liability of $39,122 and intangible right-to-use assets of $39,122. There was no change in beginning net position.

NEW ACCOUNTING PRONOUNCEMENTS

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities (GASB 84)*, which improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The Statement establishes criteria for identifying fiduciary activities of all state and local governments. GASB 84 was implemented for fiscal years June 30, 2021. The impact of this pronouncement is immaterial, and no fiduciary activities are being presented separately.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations (GASB 91)*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. There is no anticipated impact from this pronouncement as NSHE does not issue conduit debt on behalf of unaffiliated entities.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020 (GASB 92)*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about numerous GASB pronouncements. The requirements of this Statement are effective at various times depending on the topic but are generally effective for fiscal years beginning after June 15, 2021. GASB 92 was implemented for fiscal years beginning after June 15, 2021. The impact of this pronouncement is considered immaterial.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements (GASB 94)*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The anticipated impact of this pronouncement is uncertain at this time.

In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance (GASB 95)*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19

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

pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements (GASB 96)*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The anticipated impact of this pronouncement is uncertain at this time.

In June 2020, the GASB issued Statement No. 97, C*ertain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32 (GASB 97)*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. GASB 97 was implemented for fiscal years beginning after June 15, 2021. The impact of this pronouncement is considered immaterial.

GASB Statement No. 99, Omnibus 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The System is required to implement this portion of GASB Statement No. 99 in the fiscal year beginning July 1, 2023.

The practice issues addressed by this Statement are as follows: Clarification of provisions in Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset; and clarification of provisions in Statement No. 96, Subscription-Based Information Technology Arrangements, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability.

Classification and reporting of derivative instruments within the scope of Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument The Department is required to implement this portion of GASB Statement No. 99 in the fiscal year beginning July 1, 2024.

The System has not completed its assessment of the impact of the adoption of these statements and the impact in unknown at this time.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*, which addresses informational needs of the financial statement users by improving the accounting and financial reporting for compensated absences, such as PTO. GASB 101 is effective for years beginning after December 31, 2023. The Company has not adopted this statement and is in the process of determining the impact to its financial statements.

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, 2022, the System's deposits in money market funds totaled $218,232 and cash in bank was $1,732. 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.

NOTES TO THE FINANCIAL STATEMENTS (in $1,000's)

NOTE 4 – Disclosures About Fair Value of Financial Instruments:

Investments at Fair Value

The System's investment holdings as of June 30, 2022, categorized in accordance with the fair value hierarchy are summarized in the following table:

	Level 1 fair value	Level 2 fair value	Level 3 fair value	NAV	Total
Cash and cash equivalents	$ 225,014	$ -	$ -	$ -	$ 225,014
Charitable trusts	4,105	-	-	-	4,105
Domestic equity	160,255	-	-	91,258	251,513
Emerging market equity	-	-	-	19,191	19,191
Fixed income	180,624	2,149	-	154,127	336,900
International equity	98,494	-	-	97,748	196,242
Marketable alternatives	-	-	-	46,407	46,407
Multi-strategy	-	-	-	-	-
Private growth	-	-	-	70,394	70,394
Real assets	9,326	-	-	7,867	17,193
	677,818	2,149	-	486,992	1,166,959
Less: GBC Foundation Endowments	(8,941)	-	-	-	(8,941)
	$ 668,877	$ 2,149	$ -	$ 486,992	$ 1,158,018

Assets included in the net asset value (NAV) column in the above table represent assets held in the System's Operating and Endowment Fund and are classified as either private partnerships or marketable alternatives. Investment strategies within these classifications can be broken down into eight major investment categories:

- *Private Growth* – Strategies consist of private equity, private venture capital and private natural resources. Assets in this category are either illiquid or have significant redemption restrictions. Unfunded commitments of $25,702 to private equity/venture capital funds are outstanding as of June 30, 2022.
- *Marketable Alternatives* – Assets in the marketable alternative category have a broad mandate and/or incorporate hedging strategies and have significant redemptions restrictions.
- *Real Assets* – The System's holding in the real assets valued at NAV consists of funds which primarily invests in securities of publicly traded C-corporations, Master Limited Partnerships and certain private placement transactions.
- *Fixed Income* – The System's fixed income holdings valued at NAV consist of private and commingled funds with core fixed and short duration strategies.
- *Domestic Equity* – The System's holdings valued at NAV within the domestic equity category consists of one commingled fund with a broad mandate which seeks to outperform the S&P 500 index.
- *Multi-Strategy* – Assets in the multi-strategy valued at NAV consist of one fund which seeks to provide long-term capital growth by investing in domestic and foreign stocks, real assets, and bonds.
- *International Equity* – The System's holdings at NAV within the International equity category consist of private commingled funds primarily focused on value.
- *Emerging Market Equity* – The System's holdings at NAV within Emerging Market category consist of private commingled funds which look to achieve long-term capital appreciation while investing in equity securities or equity-linked instruments of companies located in emerging market countries.

The table below summarizes redemption restrictions for investments valued at NAV:

SUMMARY OF REDEMPTION RESTRICTIONS FOR INVESTMENTS VALUED AT NAV

	Redemption Frequency	**Days' Notice (If applicable)**	**Remaining Life for Partnership**
Marketable Alternatives	Daily, Monthly, Quarterly, Semi-Annually, Annually	90	N/A
Private equity/venture capital	Illiquid	N/A	7 to 12 years
Domestic Equity	Daily, Monthly, Quarterly	0-3	N/A
Fixed income	Daily, Monthly	Same Day	N/A
Emerging Market Equity	Daily, Weekly, Monthly	N/A	N/A
International Equity	Daily, Monthly	N/A	N/A
Real Assets	Daily, Monthly, Quarterly	0-110 days	N/A
Multi-Strategy	Daily	N/A	N/A

NOTES TO THE FINANCIAL STATEMENTS (in $1,000's)

NOTE 5 – System Investments:

The 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. The asset allocation categories may change from year to year.

Investments are stated at fair value. The historical cost and market value (fair value) of System investments at June 30, 2022, is as follows:

	Cost	Market Value
Mutual funds publicly traded	$384,604	$439,166
Partnerships	64,334	109,163
Cash and cash equivalents	225,014	225,014
Trusts	3,824	4,105
Private commingled funds	406,787	389,511
	1,084,563	1,166,959
Less: GBC Foundation Endowments	(8,941)	(8,941)
	$ 1,075,622	$1,158,018

As of June 30, 2022, 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 as requested by these partnerships. 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 Combined Statements of Net Position.

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.

The credit risk profile for the System's operating and endowment investments at June 30, 2022, is as follows:

	Fair Value	Not Rated
Mutual funds publicly traded	$439,166	$439,166
Partnerships	109,163	109,163
Cash and cash equivalents	225,014	225,014
Trusts	4,105	4,105
Private commingled funds	389,511	389,511
	1,166,959	1,166,959
Less: GBC Foundation Endowments	(8,941)	(8,941)
	$ 1,158,018	$1,158,018

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.

NOTES TO THE FINANCIAL STATEMENTS (in $1,000's)

NOTE 5 – System Investments (continued):

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, 2022, is as follows:

Less than 1 year	$88,333
1 to 5 year	151,736
5 to 10 year	181,978
	$422,047

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 income 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, 2022, 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 $211,460 in mutual funds and commingled funds in both the operating and endowment pools that are primarily invested in international equities at June 30, 2022.

NOTE 6 – System Endowment Pool:

At June 30, 2022, $290,590 of endowment fund investments were pooled on a unit market value basis. As of June 30, 2022, the endowment pool was comprised of investments in cash and cash equivalents (1.7%), mutual funds (11.5%), partnerships (36.5%), and private commingled (50.3%). Each individual endowment fund acquires or disposes of units based on the market value per unit on the preceding quarterly valuation date. The unit market value at June 30, 2022, was $1.087. 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.

The System utilizes a spending rule for its pooled endowments, which determines the endowment income to be distributed currently for spending. For the year ended June 30, 2022, the endowment spending policy, as approved by the Board of Regents, authorized a distribution maximum of 4.5% of the average unit market value for the previous twenty (20) calendar quarters. Under the provisions of these spending rules, during 2022, $29.57 was distributed to each time-weighted eligible unit for a total spending rule distribution of $10,421. The 2022 distributions were made from investment income of $7,939 and from cumulative gains of pooled investments of $18,360.

The System's policy is to retain the endowments' 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 $183,902 at June 30, 2022, is reflected within the restricted expendable for scholarships, research and instruction net position 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. At June 30, 2022, there were eight accounts underwater, but the total amount is considered immaterial.

NOTES TO THE FINANCIAL STATEMENTS (in $1,000's)

NOTE 7 – 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. The accounts receivable balances as of June 30, 2022, are as follows:

Accounts receivable:	
Student tuition and fees	$73,068
Sales and services	31,351
Local and private grants and contracts	7,864
Other	153
	112,436
Less: Allowance for doubtful accounts	(63,263)
Net accounts receivable	$49,173

NOTE 8 – 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 loan receivables at June 30, 2022. A provision for possible uncollectible amounts is recorded on the basis of the various institution's estimated future losses for such items. The loans receivable and corresponding allowance for uncollectible loan balances as of June 30, 2022, are as follows:

Loans receivable	$6,532
Less: Allowance for doubtful loans	(844)
Net loans receivable	5,688
Less current portion	(918)
Noncurrent loans receivable	$ 4,770

NOTE 9 – System Capital Assets:

System capital asset activity for the year ended June 30, 2022, is as follows:

	Beginning Balance	GASB 87 Restatement	Increases	Decreases	Ending Balance
Capital assets not being depreciated:					
Construction in progress	$ 116,726	$ -	$ 118,544	$ (52,124)	$ 183,146
Land	173,109	-	6,109	(38)	179,180
Land improvements	288	-	-	-	288
Intangibles	642	-	-	(642)	-
Collections	12,031	-	1,272	(33)	13,270
Total	302,796	-	125,925	(52,837)	375,884
Capital assets being depreciated:					
Buildings	3,338,301	-	71,207	(4,858)	3,404,650
Land improvements	179,218	-	2,866	-	182,084
Machinery and equipment	448,881	-	29,363	(27,884)	450,360
Intangibles	51,799	-	1,960	-	53,759
Library books and media	125,368	-	2,168	(648)	126,888
	-	-	-	-	-
	-	-	-	-	-
Total	4,143,567	-	107,564	(33,390)	4,217,741
Less accumulated depreciation for:					
Buildings	(1,257,694)	-	(85,057)	839	(1,341,912)
Land improvements	(129,768)	-	(5,402)	-	(135,170)
Machinery and equipment	(338,587)	-	(28,977)	26,080	(341,484)
Intangibles	(46,988)	-	(1,865)	-	(48,853)
Library books and media	(121,575)	-	(1,813)	678	(122,710)
	-	-	-	-	-
	-	-	-	-	-
Total	(1,894,612)	-	(123,114)	27,597	(1,990,129)

NOTES TO THE FINANCIAL STATEMENTS (in $1,000's)

NOTE 9 – System Capital Assets (continued):

	Beginning Balance	GASB 87 Restatement	Increases	Decreases	Ending Balance
Right-of-Use assets being amortized:					
ROU Buildings/Offices	-	37,086	4,406	-	41,492
ROU Equipment	-	2,036	2,611	-	4,647
Total	-	39,122	7,017	-	46,139
Less accumulated amortization for:					
ROU Buildings/Offices	-	-	(8,592)	-	(8,592)
ROU Equipment	-	-	(1,135)	-	(1,135)
Total	-	-	(9,727)	-	(9,727)
Total assets being depreciated/amortized, net	2,248,955	39,122	(18,260)	(5,793)	2,264,024
Capital assets, net	$ 2,551,751	$ 39,122	$ 107,665	$ (58,630)	2,639,908

GASB Statement No. 87, Leases, effective 2022, establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset. NSHE recognized intangible right-to-use lease assets of $46,139 of which $39,122 was a restatement from fiscal year 2021. The associated leases liabilities are discussed in Note 12.

In 2022, the total amount recognized as a loss on disposal of assets was immaterial.

NOTE 10 – System Long-Term Debt:

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

The Board of Regents issues revenue bonds and certificates or participation 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, long-term debt is issued to fund projects that would not be funded through State appropriations, such as dormitories, dining halls and parking garages.

The Board of Regents has entered into various long-term financed purchase obligations to acquire real estate and equipment. These purchases transfers ownership by the end of the contract, do not contain termination options, but may contain a fiscal funding or cancellation clause that is not reasonably certain to be exercised.

System long-term debt activity for the year ended June 30, 2022, is as follows:

	Annual Interest Rate	Fiscal Year Final Payment Date	Original Amount	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Universities Revenue Bonds, Series 2011A	2.25% to 5.00%	2025	$ 50,470	$ 5,170	$ -	$ (5,170)	$ -	$ -
Universities Revenue Bonds, Series 2012A	2.00% to 5.00%	2033	27,375	25,965	-	(25,965)	-	-
Universities Revenue Bonds, Series 2012B	2.00% to 2.75%	2023	5,010	320	-	(160)	160	160
Universities Revenue Bonds, Series 2013A	2.00% to 5.00%	2034	40,035	28,640	-	(1,510)	27,130	1,580
Universities Revenue Bonds, Series 2013B	3.00% to 5.00%	2036	105,300	82,230	-	(6,105)	76,125	6,405
Universities Revenue Bonds, Series 2014A	4.00% to 5.00%	2044	49,995	42,185	-	(1,610)	40,575	1,690
Universities Revenue Bonds, Series 2015A	3.00% to 5.00%	2036	61,455	60,240	-	(2,390)	57,850	3,190
Universities Revenue Bonds, Series 2015B	2.00% to 3.00%	2027	7,480	4,675	-	(735)	3,940	750
Universities Revenue Bonds, Series 2016A	2.00% to 5.00%	2039	57,750	55,820	-	(2,440)	53,380	2,545
Universities Revenue Bonds, Series 2016B	2.50% to 5.00%	2037	13,580	12,065	-	(555)	11,510	585
Universities Revenue Bonds, Series 2017A	3.25% to 5.00%	2041	25,905	25,905	-	(825)	25,080	870
Universities Revenue Bonds, Series 2019A	3.00% to 5.00%	2050	18,640	18,640	-	(330)	18,310	345
Universities Revenue Bonds, Series 2021	2.38% to 5.00%	2052	35,705	-	35,704	-	35,704	1,139
Universities Revenue Bonds, Series 2022	3.00% to 5.00%	2033	21,905	-	21,905	-	21,905	-
C. College Revenue Bonds, Series 2017A	3.00% to 5.00%	2048	70,915	66,180	-	(1,365)	64,815	1,435
Certificates of Participation, Series 2014A	2.00% to 5.00%	2045	34,220	29,865	-	(810)	29,055	850
Certificates of Participation, Series 2016A	2.00% to 5.00%	2047	63,095	53,645	-	(1,685)	51,960	1,770
Certificates of Participation, Series 2016B	1.65% to 4.72%	2047	50,405	46,335	-	(1,070)	45,265	1,100
Certificates of Participation, Series 2017A	3.00% to 5.00%	2048	28,890	26,995	-	(555)	26,440	585
Certificates of Participation, Series 2018A	3.00% to 5.00%	2049	12,475	12,135	-	(240)	11,895	255
Certificates of Participation, Series 2020A	3.00% to 5.00%	2051	52,620	52,620	-	(445)	52,175	465
SNSC Phase II Revenue Bonds	7.58%	2023	$ 8,460	1,515	-	(730)	785	785
Discounts				(1)	-	1	-	-
Premiums				39,413	5,702	(3,981)	41,134	3,243
Total Bonds Payable				690,557	63,311	(58,675)	695,193	29,747
Notes Payable				31,084	-	(12,754)	18,330	9,704
Financed purchase obligations				49,081	-	(2,567)	46,514	2,673
Total				$ 770,722	$ 63,311	$ (73,996)	$ 760,037	$ 42,124

NOTES TO THE FINANCIAL STATEMENTS (in $1,000's)

NOTE 10 – System Long-Term Debt (continued):

System notes payable activity for the year ended June 30, 2022, is as follows:

	Interest Rate	Date Issued	Final Payment Date	Original Amount	Ending Balance
Bank of America, CSN Promissory Note	1.88%	1/3/2013	6/1/2023	$10,000	$1,087
Wells Fargo Bank, UNR MEBD Refunding	1.80%	4/21/2016	1/2/2026	$7,570	3,483
Key Government Finance, Inc., UNR Fine Arts Bldg	2.02%	4/20/2017	7/1/2022	$11,326	2,421
US Bank, UNLV SOM funding	Variable****	6/28/2017	6/28/2024	Maximum $19,000	4,658
ZionsBankcorp, UNLV Football facility	1.98%	11/9/2017	7/1/2023	$15,297	3,941
ZionsBankcorp, UNR Football facility	2.25%	1/9/2020	7/1/2029	$3,200	2,740
					$18,330

***The variable interest rate is calculated based on 70% of one-month LIBOR plus a spread of 0.75%. The rate is reset monthly, and interest only accrues based on the outstanding principal.
**** The variable interest rate is equal to the one-month LIBOR rate plus a spread of 0.54%. The rate is reset monthly, and interest only accrues based on the outstanding principal.

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 numbers 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:

	Principal	Interest	Total
2023	$ 38,881	$ 27,666	$ 66,547
2024	35,175	26,287	61,462
2025	32,436	24,793	57,229
2026	33,059	23,241	56,300
2027	36,283	28,533	64,816
2028-2032	159,499	87,493	246,992
2033-2037	166,930	54,277	221,207
2038-2042	98,655	29,032	127,687
2043-2047	87,940	11,797	99,737
2048-2052	30,045	1,373	31,418
	718,903	314,492	1,033,395
Premiums	41,134	-	41,134
	$ 760,037	$ 314,492	$ 1,074,529

Various outstanding notes from direct borrowings and direct placements of the System in the combined amount of $2,525 contain provisions that in an event of default, the outstanding amounts become immediately due. An outstanding note from direct borrowings and direct placements of the System in the amount of $606 is secured by an office building as collateral. Various outstanding notes from direct borrowings and direct placements of the System in the combined amount of $1,129 are secured by computers and network equipment as collateral. An outstanding note from direct borrowings and direct placements of the System in the amount of $790 is secured by instructional equipment as collateral. Various outstanding notes from direct borrowings and direct placements of the System in the combined amount of $12,512 contain provisions that in an event of default, the respective interest rates are reset to a higher default rate.

Maturity	Outstanding ($)	Unused Line of Credit ($)	Pledged Assets?	Finance-Related EOD Consequences?		Finance-Related Termination Events?	Subjective Acceleration Clause(s)?
				Interest Rate/Other	Acceleration		
07/01/22	2,421	n/a	No	Yes-Note III	No	No	No
10/14/22	863	n/a	Yes-Note VI	Yes-Note VI	Yes-Note VI	No	No
06/01/23	1,087	n/a	No	Yes-Note V	No	No	No
07/01/23	4,658	n/a	No	Yes-Note IV	No	No	No

NOTES TO THE FINANCIAL STATEMENTS (in $1,000's)

NOTE 10 – System Long-Term Debt (continued):

07/01/23	3,941	n/a	No	No	No	No	No
11/01/23	266	n/a	Yes-Note VIII	No	Yes-Note VIII	Yes-Note VIII	No
02/01/25	790	n/a	Yes-Note VII	Yes-Note VII	No	No	No
01/02/26	3,483	n/a	No	Yes-Note II	No	No	No
01/01/27	606	n/a	Yes-Note I	No	No	No	No
07/01/29	2,740	n/a	No	No	No	No	No

I. Property located at 450 Sinclair Street represents additional security for the lease.
II. Upon the occurrence and continuance of an Event of Default, the Note will bear interest at the Default Rate, which consists of the summation of the following: (A) three percent (3.0%), and (B) the greatest of (i) the Prime Rate (as defined in Exhibit A of the Note) plus one percent (1.0%), (ii) the Federal Funds Rate (as defined in Exhibit A of the Note) plus two percent (2.0%), and (iii) seven percent (7.0%).
III. Upon the occurrence and continuance of an Event of Default, the Note will bear interest at a rate of 6.02%.
IV. Upon the occurrence of an Event of Default, the interest rate shall increase to the Default Rate, which is the summation of the following: (A) four hundred basis point (4.0%), and (B) the greatest of (i) the Prime Rate (as defined in the Credit Agreement) plus two percent (2.0%), the Monthly Reset LIBOR Rate (as defined in the Credit Agreement) plus two percent (2.0%), and (iii) five percent (5.0%).
V. Upon occurrence of an Event of Default, the interest rate on the Note may be increased by three hundred basis points (3.0%) per annum.
VI. Assets pledged include equipment purchased with proceeds of the lease, as described in Exhibit A to the lease agreement. Upon an Event of Default, payments due in the current fiscal year are accelerated and immediately due. Interest rate increases to lesser of 12% or maximum allowed by law.
VII. Assets pledged include equipment purchased with proceeds of the lease. Upon an event of default, the Lessor may declare immediately due and payable as a pre-estimate of liquidated damages for loss of bargain and not as a penalty, the Stipulated Loss Value of the Products in lieu of any further Rent.
VIII. Assets pledged include equipment purchased with proceeds of the lease. Upon an event of default, the Originator may terminate the Customer's rights to use the product and require the Customer to return the product in accordance with the terms and conditions of the Agreement. An Event of Default has occurred if NSHE's Senior-most Revenue Backed rating assigned by Moody's falls below "A3". Upon an Event of Default, all payments then due and the present value of all remaining payments to become due in the future plus the anticipated purchase price, both discounted at a rate of 2% per annum, are immediately due.

NOTE 11 – Lessor Leases:

Lease Receivables

The System leases real estate and equipment to independent third parties. The income under these lease agreements was approximately $6,200 in 2022. The System had current lease receivables and lease receivables due from related organizations of $4,852 and $2,927, respectively, and long-term lease receivables and long-term lease receivables due from related organizations of $31,157 and $14,987, respectively, as of June 30, 2022. Deferred inflows of resources of $53,971 are associated with these leases as of June 30, 2022.

The System had a total of 19 leases of which call for payments that are partially or completely variable and were not included in lease receivables or deferred inflows of resources. These variable payments were a result of the underlying lease measured not on a fixed rate, but rather variable due to the underlying payments derived from a percentage of sales, use of a Capital Asset, or changes in an index rate. A total of $289 was recognized as revenue from these variable payments for the year ended June 30, 2022.

	Beginning Balance	GASB 87 Restatement	Additions	Deletions	Ending Balance	Current	LT Portion
System Lease Receivable Total	$ -	$ 45,101	$ 15,019	$ 6,197	$ 53,923	$ 7,779	$ 46,144

The principal and interest revenue for the next five years and beyond are projected below for lease receivables:

	Principal	Interest	Total
2023	$ 7,779	$ 718	$ 8,497
2024	6,528	633	7,161
2025	5,457	565	6,022
2026	5,144	488	5,632
2027	3,542	426	3,968
2028-2032	10,730	1,461	12,191
2033-2037	2,967	1,019	3,986
2038-2042	2,822	809	3,631
2043-2047	3,220	573	3,793
2048-2052	3,208	319	3,527
2053-2057	2,526	78	2,604
Total	$ 53,923	$ 7,089	$ 61,012

NOTES TO THE FINANCIAL STATEMENTS (in $1,000's)

NOTE 12 – Lessee Leases:

The System has entered into various leases for land, building, equipment, infrastructure, facilities and improvements. Of these leases, a total of 22 agreements call for payments that are partially or completely variable and therefore were not included in lease assets or lease liabilities. These variable payments are a result of the underlying lease measured not on a fixed rate, but rather variable due to the underlying payments derived from a percentage of sales, use from a Capital Asset, or changes in index rates. A total of $1,497 was recognized as expenses from these variable payments for the years ended June 30, 2022.

A summary of changes in the Right-of-Use Assets, displayed by the nature of underlying assets, is as follows for the year ended June 30, 2022:

	Beginning Balance	GASB 87 Restatement	Additions	Retirements	Ending Balance
Right-of-Use Assets:					
ROU Building	$ -	$ 37,086	$ 4,406	$ -	$ 41,492
ROU Equipment	-	2,036	2,611	-	4,647
Total	-	39,122	7,017	-	46,139
Less accumulated depreciation for:					
ROU Building	-	-	(6,556)	-	(6,556)
Equipment	-	-	(3,171)	-	(3,171)
Total	-	-	(9,727)	-	(9,727)
Total Carrying Value of Right-of-Use Assets	$ -	$ 39,122	$ (2,710)	$ -	$ 36,412

Lease Liabilities

GASB Statement No. 87, Leases, effective 2022, establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset. NSHE restated fiscal year 2021 leases of $39,122 to right-to-use lease assets.

Long-term Liability activity for the year ended June 30, 2022, is summarized as follows:

	Beginning Balance	GASB 87 Restatement	Additions	Deletions	Ending Balance	Current
System Long-term Liability Total	$ -	$ 39,122	$ 6,830	$ (8,975)	$ 36,977	$ 8,538

The principal and interest expense for the next five years and beyond are projected below for lease obligations:

	Principal	Interest	Total
2023	$ 8,538	$ 388	$ 8,926
2024	6,077	318	6,395
2025	4,616	263	4,879
2026	3,637	218	3,855
2027	3,406	173	3,579
2028-2032	10,653	304	10,957
2033-2038	50	1	51
Total Requirements	$ 36,977	$ 1,665	$ 38,642

NOTES TO THE FINANCIAL STATEMENTS (in $1,000's)

NOTE 13 – 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 workman's comp 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 change to workers' compensation liability is based upon an independent actuarial determination of the present value of the anticipated future payments.

Changes in unemployment and workers compensation for the year ended June 30, 2022, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Unemployment insurance	$1,232	$ -	$ -	$1,232
Workers' compensation	2,927	-	-	2,927
Total	$4,159	$ -	$ -	$4,159

NOTE 14 – System Other Noncurrent Liability Activity:

The activity with respect to System other noncurrent liabilities for the year ended June 30, 2022, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current
Refundable advances under federal loan program	$ 4,523	$ 371	$ (748)	$ 4,146	$ -
Compensated Absences	71,364	44,705	(51,453)	64,616	41,058
Unearned Revenue	73,021	68,435	(76,721)	64,735	64,735
Other noncurrent liabilites	624	-	(1)	623	-
Total	$ 149,532	$ 113,511	$ (128,923)	$ 134,120	$ 105,793

NOTE 15 – Extinguishment of Debt:

In prior years, the System defeased outstanding bonds and obligations by placing the proceeds of new bonds into 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 the System's financial statements. On June 30, 2022, $26,485 of outstanding bonds were considered defeased.

In prior years, the System refinanced or defeased existing bonds for net cash flow savings or economic gain (present value of cash flow savings). In the fiscal year ended June 30, 2022, the System refinanced $27,985 of bonds, and refinancing activities produced cash flow savings and economic gain of $2,279 and $2,044, respectively

NOTE 16 – Irrevocable Letter of Credit:

In connection with its self-insured workers' compensation liability, the System is required to maintain a letter of credit for the State of Nevada in the amount of $1,247 as of April 10, 2022. A letter of credit for workers' compensation liability is also required by beneficiary, Arrowood Indemnity Co., in the amount of $120 as of September 9, 2021. A letter of credit was established in July 2003 in connection with the SNSC Phase II Lease Revenue Bonds in the amount of $2,100. No advances were made under the letters of credit during the year ended June 30, 2022.

NOTE 17 – System Pension Plans:

Substantially all permanent employees of the System are covered by retirement plans. Classified employees are covered by the PERS, a cost-sharing multiple-employer public employee retirement system. Professional employees are covered under PERS or the System Retirement Plan Alternative, a defined contribution retirement plan qualified under Internal Revenue Code Section 401(a).

Under the System Retirement Plan Alternative, the System and participants have the option to 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 the System Supplemental Retirement Plan, a defined contribution plan qualified under

Section 403(b) of the Internal Revenue Code, 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 year ended June 30, 2022, was $96,220 equal to the required contribution for the year.

General Information about the PERS Cost Sharing Pension Plan

PERS is a cost-sharing, multiple-employer, defined benefit public employees' retirement system, and was established by the Nevada Legislature in 1947, effective July 1, 1948. PERS is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

Benefits Provided

Benefits, as required by the Nevada Revised Statutes (NRS or Statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.50% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this factor is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.50% service time factor and for regular members entering the System on or after July 1, 2015, there is a 2.25% factor. The System offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575 - .579.

Vesting

Members are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Members entering PERS on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with thirty years of service. Regular members who entered the System on or after July 1, 2015, are eligible for retirement at age 65 with 5 years of service, or at age 62 with 10 years of service or at age 55 with 30 years of service or any age with 33 1/3 years of service.

The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Members become fully vested as to benefits upon completion of five years of service.

Contributions

The authority for establishing and amending the obligation to make contributions and member contribution rates is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. In one plan, contributions are shared equally by employer and employee. In the other plan, employees can take a reduced salary and have contributions made by the employer (EPC) or can make contributions by a payroll deduction matched by the employer.

PERS basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime to accumulate sufficient assets to pay benefits when due.

PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis. Contributions made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

NOTES TO THE FINANCIAL STATEMENTS (in $1,000's)

NOTE 17 – System Pension Plans (continued):

The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary.

For the fiscal year ended June 30, 2021, the Statutory Employer/employee matching rate was 15.25%. The Employer-pay contribution (EPC) rate was 29.25%.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the System reported a liability of $272,974 for its proportionate share of the net pension liability. The System's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2021. The System's proportionate share is 2.99%.

For the year ended June 30, 2022, the System recognized pension expense of $7,132. At June 30, 2022, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$30,236	$1,921
Net difference between projected and actual investment earnings on pension plan investments	0	222,738
Changes in assumptions	90,632	0
Changes in proportion	4,655	0
System contributions subsequent to the measurement date	30,716	0
	$156,239	$224,659

In 2022 $30,716 reported as deferred outflows of resources related to pensions resulting from System contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability. Other amounts reported as deferred inflows and outflows of resources will be recognized in pension expense as follows for the years ended June 30:

2023	$	29,614
2024		29,129
2025		30,216
2026		32,386
2027		(19,485)
Thereafter		(2,724)
	$	99,136

Actuarial Assumptions

The PERS net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.50%
Investment Rate of Return	7.25%
Productivity pay increase	0.50%
Projected salary increases	4.20% to 9.10%, depending on service Rates include inflation and productivity increases
Other assumptions	Update from those used in the June 30, 2020, funding actuarial valuation

Actuarial assumptions used in the June 30, 2021, valuation was based on the results of the experience study for the period July 1, 2016, through June 30, 2020.

The discount rate used to measure the total pension liability was 7.25% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employers and members. For this purpose, all contributions that are intended to fund

NOTES TO THE FINANCIAL STATEMENTS (in $1,000's)

NOTE 17 – System Pension Plans (continued):

benefits for all plan members and their beneficiaries are included, except those projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2021.

The following was the PERS Board adopted policy target asset allocation as of June 30, 2021:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return*
Domestic Equity	42%	5.50%
International Equity	18%	5.50%
Domestic Fixed Income	28%	0.75%
Private Markets	12%	6.65%

* As of June 30, 2021, PERS' long-term inflation assumption was 2.50%

Pension Liability Discount Rate Sensitivity

The following represents the System's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the System's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
NSHE's proportional share of the net pension liability	$543,485	$272,974	$49,827

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS comprehensive annual financial report that includes financial statements and required supplementary information. The report is available online at www.nvpers.org or may be obtained by writing to PERS at 693 W. Nye Lane, Carson City, NV 89703-1599.

NOTE 18 – System Postemployment Benefits Other than Pensions:

Officers and employees of NSHE are provided with OPEB through the Nevada Public Employees' Benefits Program (PEBP) - a cost-sharing multiple-employer defined benefit OPEB plan. The program is administered by the PEBP Board, whose ten members are appointed by the governor. NRS 287.023 provides officers and employees eligible to be covered by any group insurance, plan of benefits or medical and hospital service established pursuant to NRS 287 the option upon retirement to cancel or continue any such coverage. The cost to administer the program is financed through the contributions and investment earnings of the plan. The PEBP Board is granted the authority to establish and amend the benefit terms of the program. (NRS 287.043) PEBP issues a publicly available financial report that includes financial statements and the required supplementary information for the plan. That report may be obtained from Public Employees' Benefits Program, 901 South Stewart Street, Suite 1001, Carson City, NV 89701.

Benefits provided

Benefits other than pensions are provided to eligible retirees and their dependents through the payment of subsidies by the PEBP. Benefits include health, prescription drug, dental, and life insurance coverage. The "base" subsidy rates are set by PEBP and approved by the Legislature and vary depending on the number of dependents and the medical plan selected. These subsidy rates are subtracted from the premium to arrive at the "participant premium". The "years of service" subsidy rates are then used to adjust the "participant premium" based on years of service. The current subsidy rates can be found at pebp.state.nv.us. As required by statute, benefits are determined by the number of years of service at the time of retirement and the individual's initial date of hire. Officers and employees hired after December 31, 2011, are not eligible to receive subsidies to reduce premiums.

NOTES TO THE FINANCIAL STATEMENTS (in $1,000's)

NOTE 18 – System Postemployment Benefits Other than Pensions (continued):

The following individuals and their dependents are eligible to receive benefits from the Retirees' Fund:

Any PEBP covered retiree with state service whose last employer was the state or a participating local government entity and who:

- Was initially hired by the state prior to January 1, 2010, and has at least five years of public service, or
- Was initially hired by the state on or after January 1, 2010, but before January 1, 2012, and has at least fifteen years of public service, or
- Was initially hired by the state on or after January 1, 2010, but before January 1, 2012, and has at least five years of public service and has a disability, or
- Any PEBP covered retiree with state service whose last employer was not the state or a participating local government entity and who has been continuously covered under PEBP as a retiree since November 30, 2008.

State service is defined as employment with any Nevada State agency, the Nevada System of Higher Education and any State Board or Commission. Participating local government agency is defined as a county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency that has an agreement in effect with PEBP to obtain group insurance.

Contributions

The State Retirees' Health and Welfare Benefits Fund (Retirees' Fund) was established in 2007 by the Nevada Legislature as an irrevocable trust fund to account for the financial assets designated to offset the portion of current and future costs of health and welfare benefits paid on behalf of state retirees (NRS 287.0436). The money in the Retirees' Fund belongs to the officers, employees and retirees of the State of Nevada in aggregate; neither the State nor the governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State, nor any single officer, employee or retiree of any such entity has any right to the money in the Retirees' Fund.

The authority for establishing an assessment to pay for a portion of the cost of premiums or contributions for the program is in statute. The Office of Finance shall establish an assessment that is to be used to pay for a portion of the cost of premiums or contributions for the Program for persons who were initially hired before January 1, 2012 and have retired with state service. The money assessed must be deposited into the Retirees' Fund and must be based upon a base amount approved by the Legislature each session to pay for a portion of the current and future health and welfare benefits for persons who retired before January 1, 1994, or for persons who retire on or after January 1, 1994, as adjusted by the years of service subsidy rates. (NRS 287.046) The required contribution rate for employers (the retired employees group insurance rate), as a percentage of covered payroll, for the fiscal year ended June 30, 2021 was 2.17%. NSHE contributions recognized as part of OPEB expense for the current fiscal year ended June 30, 2022 were $16,058.

OPEB liabilities, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB

At June 30, 2022, NSHE reported a liability of $621,544 for its proportionate share of the collective net OPEB liability. The collective net OPEB liability was measured as of July 1, 2021, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of January 1, 2021. NSHE's proportion of the collective net OPEB liability was based on the NSHE's share of contributions in the OPEB plan relative to the total contributions of all participating OPEB employers and members. On June 30, 2022, the NSHE's proportion was 40.0958%.

For the year ended June 30, 2022, NSHE recognized OPEB expense of $26,774. On June 30, 2022, NSHE reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Experience	$ -	$ 22,441
Changes in assumption	34,684	2,692
Net difference between projected and and actual earnings in OPEB plan investments	-	218
System contributions subsequent to the measurement date	16,058	-
Total	$ 50,742	$ 25,351

Of the total amount reported as deferred outflows of resources related to OPEB, $16,058 results from NSHE contributions subsequent to the measurement date and before the end of the fiscal year which are included as a reduction of the collective net OPEB liability in the year at

NOTES TO THE FINANCIAL STATEMENTS (in $1,000's)

NOTE 18 – System Postemployment Benefits Other than Pensions (continued):

June 30, 2022. This deferred outflow will be recognized as expense in fiscal 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:		
2023	$	2,025
2024		4,325
2025		3,018
2026		(35)
Thereafter		-
Total	$	9,333

Actuarial assumptions

Methods and assumptions to determine contribution rates:

Actuarial Cost Method	Entry Age Normal Level % of Salary
Asset Valuation Method	Market Value of Assets
Salary Increases	2.75%
Investment Rate of Return	2.21%, net of OPEB plan investment expense, including inflation.
Retirement Rates	Varies by age and service
Mortality Rates	Pub-2010 Public Retirement Plans Mortality Table weighted by Headcount, projected by MP-2020 (See Actuarial Assumptions and Methods section for additional details)

The actuarial assumptions and methods used in the June 30, 2022, valuation are stated below.

Valuation Date	January 1, 2020
Census Date	January 1, 2020
Measurement Date	June 30, 2021
Actuarial Method	Entry Age Normal Level % of Pay
Inflation (CPI)	2.50%
Discount Rate	Based on Bond Buyer General Obligation 20-Bond Municipal Bond Index: ▪ Measurement Date June 30, 2020: 2.21% ▪ Measurement Date June 30, 2021: 2.16%
Dental	4.00%
Admin	3.00%
HRA Accounts	0.00%
Life insurance Administrative Load	10%
Investment rate of return	2.21%, net of OPEB plan investment expense, including inflation

NOTES TO THE FINANCIAL STATEMENTS (in $1,000's)

NOTE 18 – System Postemployment Benefits Other than Pensions (continued):

Salary Increases	2.75%
Health Care Trend Rates	For medical and prescription drug benefits, this amount initially is at 6.25% and decreases to a 5.25% long-term trend rate after six years. For dental benefits and Part B Premiums, the trend rate is 4.00% and 4.50%, respectively.
Mortality Rates	Pub-2010 Public Retirement Plans Mortality Table weighted by Headcount, projected by MP-2020 (See Actuarial Assumptions and Methods section for additional details

The actuarial assumptions used in the January 1, 2022, valuation was based upon certain demographic and other actuarial assumptions as recommended by Aon, in conjunction with the State and guidance from the GASB statement.

Sensitivity of the NSHE's proportionate share of the collective net OPEB liability to changes in the discount rate

The following presents the NSHE's proportionate share of the collective net OPEB liability, as well as what the NSHE's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 1.16% or 1-percentage-point higher 3.16% than the current discount rate:

	1% Decrease 1.16%	Discount Rate 2.16%	1% Increase 3.16%
NSHE's proportionate share of the collective net OPEB liability	$683,777	$621,544	$553,418

Sensitivity of NSHE's proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates

The following presents NSHE's proportionate share of the collective net OPEB liability, as well as what NSHE's proportionate share of the collective net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Trend Rates	1% Increase
NSHE's proportionate share of the collective net OPEB liability	$571,478	$621,544	$663,327

OPEB plan fiduciary net position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued PEBP financial report.

Payables to the OPEB plan

At June 30, 2022, NSHE reported payables to the defined benefit OPEB plan of $1,443 for statutorily required employer contributions which had been assessed on employee salaries but not yet remitted to the Retirees' Fund.

NOTE 19 – 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 that, except as provided below, any liability in those legal actions, in excess of insurance coverage, will not materially adversely affect the System's net financial position, changes in net position or cash flows of the System.

The System and the State of Nevada are defendants in various lawsuits, collectively referred to as the Little Valley Fire Cases. The cases relate to a prescribed burn conducted by the Nevada Division of Forestry in October 2017 on land partially owned by UNR. Embers from the fire escaped and burned 23 structures. The System and the State of Nevada share an excess liability policy. At this point it is difficult to estimate the likelihood of an unfavorable outcome and the likely exposure, but the excess liability carrier has been placed on notice of these cases.

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 year and projects the rates needed for the coming year. The System uses a third-party administrator to adjust its workers' compensation claims.

NOTE 19 – System Commitments and Contingent Liabilities (continued):

The System is self-insured for its unemployment insurance liability. The System is billed by the State each quarter based on 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, 2022, but no significant reduction in force or staffing cuts are anticipated.

The System receives Federal grants and awards, and amounts are subject to change based on outcomes of Federal audits. Management believes any changes made will not materially affect the net position, changes in net position or cash flows of the System.

The estimated cost to complete property authorized or under construction at June 30, 2022, is $167,481. These costs will be financed by State appropriations, private donations, available resources and/or long-term borrowings.

NOTE 20 – Risk Management:

The System is an entity created by the Constitution of the State of Nevada. The System transfers its tort liabilities to the Tort Claims Fund of the State. The State purchases an excess liability policy in the amount of $5,000 excess of a $5,000 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 per occurrence deductible with an aggregate deductible of $1,000.
- Worker's compensation (foreign and domestic) with statutory limits excess of a $750 SIR.
- Crime & Fidelity (employee dishonesty) with limits of $1,250 and a deductible of $100.
- Coverage for cyber liability is a combination of self-insurance and insurance policy with limits of $3,000 per claim and $5,000 per aggregate 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 System is charged an assessment to cover its portion of the State's cost of the Tort Claims fund.

NOTE 21 – Subsequent Events:

The System evaluated subsequent events through March 31, 2023, the date of issuance, and has determined the following subsequent events to report.

Subsequent to year-end, the operations of Sierra Nevada University (SNU) were transferred to UNR and all real property assets of SNU were gifted to the UNR Foundation. The transaction was finalized on July 1, 2022, at which time UNR began full academic operations at the new University of Nevada, Reno at Lake Tahoe branch campus. In addition, a triple net lease was executed between UNR Foundation and UNR for $1 a year for the an initial term equal to fifty (50) years. UNR does not anticipate this transaction having a material impact on operations.

NOTES TO THE FINANCIAL STATEMENTS (in $1,000's)

NOTE 22– Functional Classification of System Expenses:

The following is the functional classifications of expenses as reported on the Statement of Combined Revenues, Expenses and Changes in Net Position for the year ended June 30, 2022:

Instruction	$ 679,858
Research	155,020
Public service	120,980
Academic support	196,330
Institutional support	180,454
Student services	194,745
Operation and maintenance of plant	115,717
Scholarships and fellowships	197,733
Auxiliary enterprises	78,750
Depreciation	132,841
Total	$ 2,052,428

NOTE 23 – System Related Organizations:

As described in Note 1, the System Related Organizations columns in the financial statements include the financial data of the System's discretely presented campus foundations, and UNLV Medicine. Due to the condensed nature of this information, the individual line items may not necessarily agree with the financial statements of the System Related Organizations, although the totals agree with the financial statements. Condensed combining financial data of the System Related Organizations is as follows:

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NOTES TO THE FINANCIAL STATEMENTS (in $1,000's)

NOTE 23 - System Related Organizations

NEVADA SYSTEM OF HIGHER EDUCATION SYSTEM RELATED ORGANIZATIONS
NET POSITION AS OF JUNE 30, 2022

	CSN Foundation	DRI Foundation	DRI Research Park	GBC Foundation	NSC Foundation	TMCC Foundation	UNLV Foundation	UNLV Research Foundation	Rebel Golf Foundation
ASSETS									
Current Assets									
Cash and cash equivalents	$ 74	$ 1,346	$ 1	$ 2,742	$ 544	$ 5,694	$ 22,316	$ 272	$ 717
Restricted cash and cash equivalents	4,043	-	-	1,589	2,343	-	-	-	-
Short-term investments	3,594	-	-	-	1,137	560	45,647	1,757	5,102
Accounts receivable, net	-	-	-	-	-	52	-	1,646	-
Receivable from U.S. Government	-	-	-	-	-	-	-	1,401	-
Pledges receivable, net	269	-	-	32	592	225	1,068	-	-
Patient accounts receivable, net	-	-	-	-	-	-	-	-	-
Current portion of loans receivable, net	1	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Deposits and prepaid expenditures, current	2	-	-	-	4	-	72	3	-
Due from affiliates (SROs)	-	-	-	-	-	-	1,208	-	-
Other current assets	-	-	-	72	-	43	692	218	-
Total Current Assets	**7,983**	**1,346**	**1**	**4,435**	**4,620**	**6,574**	**71,003**	**5,297**	**5,819**
Noncurrent Assets									
Investments	-	1,552	-	1,169	-	-	77,766	-	-
Restricted investments	2,150	-	-	7,887	1,331	-	-	-	-
Endowment investments	-	-	-	-	-	630	256,724	-	-
Loans receivable, net	25	-	-	-	-	-	-	-	-
Capital assets, net	-	397	-	-	-	-	353	5,897	102
Pledges receivable, net	276	-	-	276	1,072	506	16,426	-	-
Other noncurrent assets	-	-	-	-	-	-	13,922	8,135	-
Total Noncurrent Assets	**2,451**	**1,949**	**-**	**9,332**	**2,403**	**1,136**	**365,191**	**14,032**	**102**
TOTAL ASSETS	**10,434**	**3,295**	**1**	**13,767**	**7,023**	**7,710**	**436,194**	**19,329**	**5,921**
DEFERRED OUTFLOWS OF RESOURCES									
Intra-entity sales of future revenues	-	-	-	-	-	-	-	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-	-	-	-	-	-
LIABILITIES									
Current Liabilities									
Accounts payable	127	-	-	1,442	-	8	797	1,634	-
Accrued payroll and related liabilities	-	-	-	29	-	-	-	-	-
Current portion of leases payable	-	-	-	-	-	-	-	-	-
Leases Payable Due to Related Organizations	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	3	-	-	-	-	1,179	-
Funds held in trust for others	-	-	-	-	-	43	-	-	-
Due to affiliates (SROs)	-	-	-	-	-	493	-	-	304
Other current liabilities	-	-	-	-	-	-	36	33	-
Total Current Liabilities	**127**	**-**	**3**	**1,471**	**-**	**544**	**833**	**2,846**	**304**
Noncurrent Liabilities									
Unearned revenue	-	-	92	-	-	-	-	-	-
Lease Payable Due to Related Organizations, LT	-	-	-	-	-	-	-	-	-
Leases payable	-	-	-	-	-	-	-	-	-
Other noncurrent liabilities	-	-	-	-	-	-	428	-	-
Total Noncurrent Liabilities	**-**	**-**	**92**	**-**	**-**	**-**	**428**	**-**	**-**
TOTAL LIABILITIES	**127**	**-**	**95**	**1,471**	**-**	**544**	**1,261**	**2,846**	**304**
DEFERRED INFLOWS OF RESOURCES									
Split-interest agreements	-	-	-	-	-	-	836	-	-
Unearned lease revenue	-	-	-	-	-	-	-	11,751	-
TOTAL DEFERRED INFLOW OF RESOURCES	-	-	-	-	-	-	836	11,751	-
NET POSITION									
Net investment in capital assets	-	397	-	-	-	-	353	5,897	-
Restricted - Nonexpendable	2,176	-	-	4,977	1,332	635	187,863	-	-
Restricted - Expendable - Scholarships, research and instruction	7,104	768	-	4,396	-	5,826	238,695	-	-
Restricted - Expendable - Capital projects	-	-	-	1,271	-	-	-	-	-
Restricted - Expendable - Other	-	-	-	-	5,144	-	-	-	-
Unrestricted	1,027	2,130	(94)	1,652	547	705	7,186	(1,165)	5,617
TOTAL NET ASSETS	**$ 10,307**	**$ 3,295**	**$ (94)**	**$ 12,296**	**$ 7,023**	**$ 7,166**	**$ 434,097**	**$ 4,732**	**$ 5,617**

NOTES TO THE FINANCIAL STATEMENTS (in $1,000's)

NOTE 23 - System Related Organizations (continued)

NEVADA SYSTEM OF HIGHER EDUCATION SYSTEM RELATED ORGANIZATIONS
NET POSITION AS OF JUNE 30, 2022

	UNLV Alumni Association	UNLV Rebel Football Foundation	UNLV Rebel Soccer Foundation	UNLV Singapore Limited	UNLVMED	UNR Foundation	UNR WPAA	WNC Foundation	Total System Related Organizations
ASSETS									
Current Assets									
Cash and cash equivalents	$ 526	$ 158	$ 95	$ 1,066	$ 7,131	$ 49,136	$ 66	$ 407	$ 92,291
Restricted cash and cash equivalents	-	-	-	-	15	-	-	279	8,269
Short-term investments	1,998	1,545	455	4,315	-	212,242	8,360	-	286,712
Accounts receivable, net	47	-	-	-	2,110	-	-	-	3,855
Receivable from U.S. Government	-	-	-	-	-	-	-	-	1,401
Pledges receivable, net	-	-	-	-	-	3,957	-	-	6,143
Patient accounts receivable, net	-	-	-	-	6,909	-	-	-	6,909
Current portion of loans receivable, net	-	-	-	-	-	26	-	-	27
Inventories	-	-	-	-	383	-	-	-	383
Deposits and prepaid expenditures, current	16	-	-	2	147	-	-	-	246
Due from affiliates (SROs)	-	-	-	-	93	198	411	-	1,910
Other current assets	-	-	4	6	-	6,466	-	20	7,521
Total Current Assets	**2,587**	**1,703**	**554**	**5,389**	**16,788**	**272,025**	**8,837**	**706**	**415,667**
Noncurrent Assets									
Investments	-	-	-	-	-	-	-	-	80,487
Restricted investments	-	-	-	-	-	-	-	4,730	16,098
Endowment investments	-	-	884	-	-	101,365	-	-	359,603
Loans receivable, net	-	-	-	-	-	68	-	-	93
Capital assets, net	19	-	-	-	653	1	40	-	7,462
Pledges receivable, net	-	-	-	-	-	4,202	-	-	22,758
Other noncurrent assets	24	-	-	-	17,766	9,415	-	-	49,262
Total Noncurrent Assets	**43**	**-**	**884**	**-**	**18,419**	**115,051**	**40**	**4,730**	**535,763**
TOTAL ASSETS	**2,630**	**1,703**	**1,438**	**5,389**	**35,207**	**387,076**	**8,877**	**5,436**	**951,430**
DEFERRED OUTFLOWS OF RESOURCES									
Intra-entity sales of future revenues	-	-	-	-	7	-	-	-	7
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**-**	**-**	**-**	**-**	**7**	**-**	**-**	**-**	**7**
LIABILITIES									
Current Liabilities									
Accounts payable	22	-	4	-	1,854	221	-	-	6,109
Accrued payroll and related liabilities	-	-	-	-	1,170	-	-	-	1,199
Current portion of leases payable	-	-	-	-	84	-	-	-	84
Leases Payable Due to Related Organizations	-	-	-	-	2,927	-	-	-	2,927
Unearned revenue	-	-	-	-	-	-	-	40	1,222
Funds held in trust for others	-	-	-	-	-	-	-	-	43
Due to affiliates (SROs)	-	-	-	-	3,327	749	-	-	4,873
Other current liabilities	-	-	-	16	1,018	-	2	5,084	6,189
Total Current Liabilities	**22**	**-**	**4**	**16**	**10,380**	**970**	**2**	**5,124**	**22,646**
Noncurrent Liabilities									
Unearned revenue	-	-	-	-	-	195	-	-	287
Lease Payable Due to Related Organizations, LT	-	-	-	-	14,987	-	-	-	14,987
Leases payable	-	-	-	-	14	-	-	-	14
Other noncurrent liabilities	-	-	-	-	-	-	-	-	428
Total Noncurrent Liabilities	**-**	**-**	**-**	**-**	**15,001**	**195**	**-**	**-**	**15,716**
TOTAL LIABILITIES	**22**	**-**	**4**	**16**	**25,381**	**1,165**	**2**	**5,124**	**38,362**
DEFERRED INFLOWS OF RESOURCES									
Split-interest agreements	-	-	-	-	-	6,257	-	-	7,093
Unearned lease revenue	-	-	-	-	-	-	-	-	11,751
TOTAL DEFERRED INFLOW OF RESOURCES	**-**	**-**	**-**	**-**	**-**	**6,257**	**-**	**-**	**18,844**
NET POSITION									
Net investment in capital assets	19	-	-	-	414	1	40	-	7,121
Restricted - Nonexpendable	-	47	756	-	-	191,971	2,914	-	392,671
Restricted - Expendable - Scholarships, research and instruction	2	82	128	-	15	171,033	4,989	-	433,038
Restricted - Expendable - Capital projects	-	-	-	-	-	-	-	-	1,271
Restricted - Expendable - Other	-	-	-	-	-	-	-	-	5,144
Unrestricted	2,587	1,574	550	5,373	9,404	16,649	932	312	54,986
TOTAL NET ASSETS	**$ 2,608**	**$ 1,703**	**$ 1,434**	**$ 5,373**	**$ 9,833**	**$ 379,654**	**$ 8,875**	**$ 312**	**$ 894,231**

NOTES TO THE FINANCIAL STATEMENTS (in $1,000's)

NOTE 23 - System Related Organizations (continued)

NEVADA SYSTEM OF HIGHER EDUCATION SYSTEM RELATED ORGANIZATIONS
REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 20, 2022

	CSN Foundation	DRI Foundation	DRI Research Park	GBC Foundation	NSC Foundation	TMCC Foundation	UNLV Foundation	UNLV Research Foundation	Rebel Golf Foundation
Operating Revenues									
Patient revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contract revenue	-	-	-	-	-	-	-	-	-
Contributions	766	1,763	-	1,181	1,562	6,299	30,078	267	50
Campus support	-	317	48	17	-	-	2,847	-	-
Special events and fundraising	-	-	-	-	-	70	-	-	4
Other operating revenues	9	8	3	-	-	124	1,171	2,682	82
Total Operating Revenues	775	2,088	51	1,198	1,562	6,493	34,096	2,949	136
Operating Expenses									
Employee compensation and benefits	-	(309)	(41)	-	-	-	(2,817)	(98)	-
Supplies and services	(361)	(46)	(7)	-	-	-	(4,306)	(288)	(46)
Program expenses, System Related Organizations	-	-	-	(256)	-	(3,223)	(43)	-	(35)
Depreciation	-	-	-	-	-	-	(58)	(126)	-
Other operating expenses	-	(3)	-	(158)	(2,078)	(368)	-	-	-
Total Operating Expenses	(361)	(358)	(48)	(414)	(2,078)	(3,591)	(7,224)	(512)	(81)
Operating Income (Loss)	414	1,730	3	784	(516)	2,902	26,872	2,437	55
Nonoperating Revenues (Expenses)									
Investment Income (Loss), net	(768)	-	-	73	-	(29)	(28,342)	(147)	(1,012)
Payments to System campuses and divisions	(1,311)	(1,611)	-	(7,129)	-	-	(29,418)	(205)	(304)
Interest expense	-	-	-	-	-	-	-	-	-
Other nonoperating revenues (expenses)	-	85	-	-	-	-	(147)	-	-
Total Nonoperating Revenues (Expenses)	(2,079)	(1,526)	-	(7,056)	-	(29)	(57,907)	(352)	(1,316)
Income (Loss) Before Other Revenue (Expenses)	(1,665)	204	3	(6,272)	(516)	2,873	(31,035)	2,085	(1,261)
Other Revenues (Expenses)									
Additions to permanent endowments	-	-	-	45	7	-	15,079	-	-
Other Foundation revenues (expenses)	-	-	-	-	-	-	-	-	-
Total Other Revenues (Expenses)	-	-	-	45	7	-	15,079	-	-
Increase (Decrease) in Net Position	(1,665)	204	3	(6,227)	(509)	2,873	(15,956)	2,085	(1,261)
NET POSITION									
Net position - beginning of year	11,972	3,091	(97)	18,523	7,532	4,293	450,053	2,647	6,878
Net position - end of year	$ 10,307	$ 3,295	$ (94)	$ 12,296	$ 7,023	$ 7,166	$ 434,097	$ 4,732	$ 5,617

NOTES TO THE FINANCIAL STATEMENTS (in $1,000's)

NOTE 23 - System Related Organizations (continued)

NEVADA SYSTEM OF HIGHER EDUCATION SYSTEM RELATED ORGANIZATIONS
REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 20, 2022

	UNLV Alumni Association	UNLV Rebel Football Foundation	UNLV Rebel Soccer Foundation	UNLV Singapore Unlimited	UNLVMED	UNR Foundation	UNR WPAA	WNC Foundation	Total System Related Organizations
Operating Revenues									
Patient revenue	$ -	$ -	$ -	$ -	$ 40,490	$ -	$ -	$ -	$ 40,490
Contract revenue	-	-	-	-	14,725	-	-	-	14,725
Contributions	772	-	18	-	-	20,261	50	1,799	64,866
Campus support	-	-	-	-	-	3,372	-	230	6,831
Special events and fundraising	63	74	65	-	-	1,550	-	53	1,879
Other operating revenues	302	17	3	-	10,442	-	-	23	14,866
Total Operating Revenues	1,137	91	86	-	65,657	25,183	50	2,105	143,657
Operating Expenses									
Employee compensation and benefits	(747)	-	-	(43)	(21,668)	(3,386)	-	(316)	(29,425)
Supplies and services	(176)	(14)	(13)	(22)	(685)	(746)	-	-	(6,710)
Program expenses, System Related Organizations	(267)	(9)	(71)	(232)	(11,493)	(284)	-	(127)	(16,040)
Depreciation	(4)	-	-	-	(4,342)	(1)	(2)	-	(4,533)
Other operating expenses	-	-	-	-	-	-	(27)	(22)	(2,656)
Total Operating Expenses	(1,194)	(23)	(84)	(297)	(38,188)	(4,417)	(29)	(465)	(59,364)
Operating Income (Loss)	(57)	68	2	(297)	27,469	20,766	21	1,640	84,293
Nonoperating Revenues (Expenses)									
Investment Income (Loss), net	(411)	(320)	(171)	21	-	(6,932)	(1,224)	(83)	(39,345)
Payments to System campuses and divisions	(95)	(125)	-	-	(28,747)	(25,824)	(45)	(1,672)	(96,486)
Interest expense	-	-	-	-	(192)	-	-	-	(192)
Other nonoperating revenues (expenses)	-	-	3	-	1,999	-	-	-	1,940
Total Nonoperating Revenues (Expenses)	(506)	(445)	(168)	21	(26,940)	(32,756)	(1,269)	(1,755)	(134,083)
Income (Loss) Before Other Revenue (Expenses)	(563)	(377)	(166)	(276)	529	(11,990)	(1,248)	(115)	(49,790)
Other Revenues (Expenses)									
Additions to permanent endowments	-	-	-	-	-	17,582	54	-	32,767
Other Foundation revenues (expenses)	-	-	-	(189)	-	-	-	-	(189)
Total Other Revenues (Expenses)	-	-	-	(189)	-	17,582	54	-	32,578
Increase (Decrease) in Net Position	(563)	(377)	(166)	(465)	529	5,592	(1,194)	(115)	(17,212)
NET POSITION									
Net position - beginning of year	3,171	2,080	1,600	5,838	9,304	374,062	10,069	427	911,443
Net position - end of year	$ 2,608	$ 1,703	$ 1,434	$ 5,373	$ 9,833	$ 379,654	$ 8,875	$ 312	$ 894,231

NOTES TO THE FINANCIAL STATEMENTS (in $1,000's)

NOTE 23 - System Related Organizations (continued):

UNR Foundation:

Cash and cash equivalents consist of the following as of June 30:

	2022
Cash and cash equivalents	$ 3,019
Money market funds	46,117
	$ 49,136

The fair value of investments consists of the following as of June 30:

	2022
Equity investments	$ 1,116
Commingled funds	280,616
Certificates of deposits	2,203
Corporate bonds	3,961
U.S. Government securities	25,711
	$ 313,607

At June 30, 2022, the Foundation's investments had the following maturities:

	Investment Maturities (in years)			
	Less than 1	1-5	6-21	Fair Value
Certificates of deposits	$ 1,960	$ 243	$ -	$ 2,203
Corporate bonds	-	3,961	-	3,961
U.S. Government securities	20,690	5,021	-	25,711
	$ 22,650	$ 9,225	$ -	$ 31,875

The Foundation's investment pool is split into two discrete pools: the operating pool and the endowment pool. The Foundation's policy for the operating pool is to exercise sufficient due diligence to minimize investing operating cash in instruments that will lack liquidity. The Foundation considers cash to consist of both short-term and long-term funds. The short-term fund 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 funds are 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 secured by promissory note with an appropriate interest rate. The intermediate term operating cash is invested in fixed income securities generally having an average maturity of five years or less in order to take advantage of higher yields, and include longer term certificates of deposit, government securities, or corporate notes.

The Foundation's policy for the endowment pool is to invest according to an asset allocation strategy that is designed to meet the goals of the Endowment Investment Objective. The strategy will be based on a number of factors, including:

• The projected spending needs;
• The maintenance of sufficient liquidity to meet spending payments;
• Historical and expected long-term capital market risk and return behaviors; and
• The relationship between current and projected assets of the Endowment and its spending requirements.

This policy provides for diversification of assets in an effort to maximize the investment return and manage the risk of the Endowment consistent with market conditions. Asset allocation modeling identifies asset classes the Endowment will use and the percentage each class represents in the total fund. Due to the fluctuation of fair values, positioning within a specified range is acceptable and constitutes compliance with the policy. It is anticipated that an extended period of time may be required to fully implement the asset allocation policy, and that periodic revisions will occur.

NOTES TO THE FINANCIAL STATEMENTS (in $1,000's)

NOTE 23 - System Related Organizations (continued):

Investment Program Strategy

As a result of the above process, the Board has adopted the following asset allocation targets and ranges, exclusive of amounts transferred to the Endowment's operating account:

Asset Class	Target	Target Range
Global Equity	43%	30%-60%
Private Equity	25%	15%-30%
Diversifiers	15%	8%-22%
Real Assets	5%	3%-8%
Fixed Income	10%	5%-15%
Cash	2%	0%-5%

Although the Board adopted these ranges, the investment portfolio can't get to these allocations quickly and may be overweight or underweight based on the available investments at any given point in time.

Investment Risk Factors

There are many factors that can affect the fair 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 meets quarterly to review the investments and 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 an organization'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 Foundation currently purchases certificates of deposit of less than $250 per bank or institution. Commercial paper is limited to a maximum of 10% of the total cash and cash equivalents 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. Fixed income securities or obligations of the U.S. Government are not considered to have credit risk.

At June 30, 2022, the Foundation's investments had the following quality ratings:

	Quality Ratings			
	Fair Value	AAA - A-	BBB+ - B-	Unrated
Corporate Bonds	$ 3,961	$ 3,759	$ 202	$ -

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.

NOTE 23 - System Related Organizations (continued):

Custodial Credit Risk – 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 insured and 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, 2022, the Foundation's bank balances totaled $49,100. Of this balance, $1,000 was covered by depository insurance and $46,100 is held in U.S. Government Money Market Funds and the remaining $2,000 was uninsured and uncollateralized and, as a result, was subject to custodial credit risk at June 30, 2022.

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 commingled funds. Debt and equity securities other than open-end mutual funds are uncollateralized.

Redemption Notice

Certain commingled investments classified as current have notice requirements before the investment can be redeemed; these requirements range from 1-30 days. Other commingled investments have set dates upon which they can be redeemed; these investments have been classified as long-term based on these dates.

Commitments

As of June 30, 2022, the Foundation has commitments to acquire approximately $32,400, in commingled funds.

Fair Value Measurements

The Foundation has valued their investments based on the following levels of inputs:

Level 1 – Quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities that are traded in an active exchange market.

Level 2 – Observable inputs, other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs which are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include derivative contracts whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data. This category generally includes agency mortgage-backed debt securities and derivative contracts.

Level 3 – Unobservable inputs that are supported by little or no market activities and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. This category generally includes private equity, real estate and commingled investments where independent pricing information was not able to be obtained for a significant portion of the underlying assets.

Net asset value ("NAV") – The amount of net assets attributable to each unit outstanding at the close of the period.

NOTES TO THE FINANCIAL STATEMENTS (in $1,000's)

NOTE 23 - System Related Organizations (continued):

The assets or liabilities fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for assets measured at fair value:

- *Commingled funds – Valued at NAV or at quoted prices if traded in active markets.*
- *Residual interest in irrevocable trust – Assets held by the Foundation in commingled funds are valued at NAV.*
- *Assets held in trust by others – Assets include both commingled funds valued at NAV and the Foundation's beneficial interest in real estate where fair value is estimated based on appraised value.*
- *Equity investments, certificates of deposit and U.S. Government securities – Valued at the closing price reported on the active market on which the security is traded, if available.*

The methods described above may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Assets measured at fair value on a recurring basis at June 30, 2022, are:

	Level 1	NAV	Total
Investments			
Equity investments	$ 1,116	$ -	$ 1,116
Commingled funds	177,404	103,212	280,616
Certificate of deposit	2,203	-	2,203
Corporate bonds	3,961	-	3,961
U.S. Government securities	25,711	-	25,711
	$ 210,395	$ 103,212	$ 313,607
Residual interest in trusts			
Commingled funds	$ -	$ 583	$ 583

The Foundation did not hold any investments fair valued using Level 2 or 3 inputs for the year ended June 30, 2022.

UNLV Foundation:

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

The calculation of realized gains and losses is independent of the calculation of the net change in the fair value of investments. Realized gains and losses on investments that had been held more than one fiscal year and sold in the current year were included as a change in the fair value of investments reported in prior years. Investment expenses of $861 for the year ended June 30, 2022 and was netted against interest and dividends on the accompanying Statements of Support and Revenues, Expenses and Changes in Net Position. Investments are recorded on the date of settlement.

NOTES TO THE FINANCIAL STATEMENTS (in $1,000's)

NOTE 23 - System Related Organizations (continued):

Investments consist of the following at June 30:		2022
Mutual funds	$	36,557
Certificates of deposits		3,032
Equities		15,423
Collateralized securities		37,184
U.S. government obligations		48,273
U.S. corporate bonds		31,740
Alternative investments		196,666
Non-U.S. corporate bonds		11,262
Investment in securities at fair value	$	380,137

Investment in securities at fair value		2022
Investment in securities - Current	$	45,647
Investment in securities - Non-Current		334,490
Investment in securities at fair value	$	380,137

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, 2022, the total balance for the UNLV Foundation's cash and money market funds was $22,300. Of this balance, $285 at June 30, 2022, were covered by the Federal Deposit Insurance Corporation, and $22,000 was uninsured at June 30, 2022. Cash balances in United States banks are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250 per bank.

The custodial credit risk for investments is the risk that, in the event of a failure of the custodian, the UNLV Foundation may not be able to recover the value of the investments held by the custodian as these investments are uninsured. The UNLV Foundation does not have a specific policy with regard to custodial credit risk.

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, 2022, are as follows:

June 30, 2022		Total		AAA		AA		A		BBB		Below Investment Grade
Collateralized securities	$	37,185	$	34,301	$	1,369	$	1,027	$	474	$	14
U.S. corporate bonds		31,739		-		172		8,350		21,137		2,080
Non-U.S. corporate bonds		11,262		-		620		3,829		5,671		1,142
Total	**$**	**80,186**	**$**	**34,301**	**$**	**2,161**	**$**	**13,206**	**$**	**27,282**	**$**	**3,236**

NOTES TO THE FINANCIAL STATEMENTS (in $1,000's)

NOTE 23 - System Related Organizations (continued):

In accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures — an amendment of GASB Statement No. 3*, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality and they are not rated. The UNLV Foundation's mutual funds and certificates of deposit are not rated.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Foundation's investments within any one issuer. For the fixed income portion of the endowment pool, the Foundation'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 Foundation does not have a specific policy with regard to the operating pool or the remainder of the endowment pool. At June 30, 2022, there were no investments over 5% within any one issuer in an amount that would constitute a concentration of credit risk to the Foundation.

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 Bloomberg Barclays Aggregate U.S. Bond Index average as the benchmark; maturity as of June 30, 2022, were 8.54 years. The fixed-income portfolio's average maturity was 8.65 years at June 30, 2022. Interest rates range from 1.68% to 3.43% for the year ended.

For investments in donor-restricted expendable funds, the UNLV Foundation uses the Bloomberg Barclays Aggregate U.S. Bond Index average as the benchmark; maturity as of June 30, 2022, were 8.80 years. The fixed-income portfolio's average maturity was 9.1 years at June 30, 2022. Interest rates range from 0.00% to 9.00% for the year ended.

Investments at June 30, 2022	Maturity under 1 Year	Maturity 1 -5 Years	Maturity 6 -10 Years	Maturity over 10 Years	Total
Mutual funds	$ 33,196	$ 3,361	$ -	$ -	$ 36,557
Certificates of deposits	651	2,380	-	-	3,031
Collateralized securities	829	6,128	4,425	25,803	37,185
U.S. Government obligations	8,587	25,962	5,044	8,681	48,274
U.S corporate bonds	2,045	16,846	7,018	5,831	31,740
Non-U.S. corporate bonds	339	4,984	4,789	1,149	11,261
Investment in Securities at Fair Value	$ 45,647	$ 59,661	$ 21,276	$ 41,464	$ 168,048

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.

Fair Value Measurements

The Foundation has valued their investments based on the following level of inputs:

Level 1 – Quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities that are traded in an active exchange market.

NOTES TO THE FINANCIAL STATEMENTS (in $1,000's)

NOTE 23 - System Related Organizations (continued):

Level 2 – Observable inputs, other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs which are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activities and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. This category generally includes private equity, real estate, assets held in charitable remainder trusts and commingled investments where independent pricing information was not able to be obtained for a significant portion of the underlying assets.

Net asset value ("*NAV")* - The amount of net assets attributable to each share of capital stock (other than senior equity securities; that is, preferred stock) outstanding at the close of the period.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value:

- *Alternative investments* – Valued at NAV.
- *Real estate* – Assets held in commingled funds are valued at NAV. Assets held in trust represents the Foundation's beneficial interest in real estate, where fair value is estimated based on appraised value.
- *Mutual funds, U.S. corporate bonds, non-U.S. corporate bonds, equities, certificates of deposit, U.S. Government securities, and Collateralized securities* – Valued at the closing price reported on the active market on which the security is traded, if available.
- *Assets held in charitable remainder trusts* – Assets held in trust represents the Foundation's beneficial interest in equities held in the trusts, fair value of the equities is based on closing prices reported on the active market on which the security is traced. The Foundation's interest in those assets is estimated based on models using various estimates from management, including date assets will be received.

The methods described above may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Assets measured at fair value on a recurring basis at June 30, 2022, are:

Investments at June 30, 2022	Level 1	Level 2	Level 3	NAV	Total
Alternative investment	$ -	$ -	$ -	$ 196,666	$ 196,666
Mutual funds	36,557	-	-	-	36,557
Collateralized securities	-	37,184	-	-	37,184
U.S corporate bonds	31,740	-	-	-	31,740
Non-U.S. corporate bonds	11,262	-	-	-	11,262
Equities	15,423	-	-	-	15,423
Certificates of deposits	3,032	-	-	-	3,032
U.S. Government obligations	48,273	-	-	-	48,273
	$ 146,287	$ 37,184	$ -	$ 196,666	$ 380,137
Investments in real estate	$ -	$ -	$ 10,560	$ -	$ 10,560
Assets held in charitable remainder trusts					
Equities	$ -	$ -	$ 1,137	$ -	$ 1,137

NOTE 23 - System Related Organizations (continued):

UNLV Medicine Inc.:

Patient Accounts Receivable

Patient accounts receivable represents receivables under various payment agreements with third-party commercial insurance companies, governmental payors, individual patients and others for services already rendered, and includes an allowance for contractual adjustments and uncollectible accounts which are charged to operations based upon management's estimates. Contractual adjustments result from the difference between gross charges and the established or negotiated rates for physician services performed and amounts management estimates to be collected by certain third-party commercial insurance companies, government sponsored health care programs and other third parties (not including personal guarantors of patients). Bad debt adjustments include amounts deemed uncollectible by management. Provisions for contractual adjustments and uncollectible amounts are estimated and recorded in the same period services are rendered.

The provisions for contractual adjustments and uncollectible accounts are determined based upon an evaluation of historical collection experience, anticipated reimbursement levels and other relevant factors. Adjustments and changes in estimates are recorded in the period in which they are determined.

Operating Revenues and Expenses

Operating revenues and expenses are distinguished from non-operating items. Operating revenues and expenses generally result directly or indirectly from providing patient care in connection with the Organization's ongoing operations. The principal operating revenues of the Organization are net patient service revenue and contract revenue. Other revenue is consistent with pharmaceuticals and non-exchange transactions in which the Organization receives value without directly giving equal value in return, including federal, state, local grants and other contributions. Revenue from grants and other contributions is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, matching requirements and expense requirements.

Operating expenses include the cost of the faculty, staff, administration, medical fees, supply expenses, and depreciation of property and equipment. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Net Patient Services Revenue

The Organization has agreements with third-party payors that provide for payments at amounts different from the Organization's established rates. A summary of the payment arrangements with major third-party payors follows:

- Medicare is a federal health insurance program that provides coverage for people 65 years and older, for certain disabled people, and for some people with End Stage Renal Disease. Medicare reimburses physician claims based on a resource based relative value scale ("RBRVS") that assigns values to procedures in relation to one another and is used to establish the Medicare fee schedule. The Medicare fee schedule determines how the Organization is paid.
- Medicaid is a medical coverage program jointly funded by both the states and the federal government for residents who qualify based on annual income that falls below the state or nationally indicted poverty level. The Organization is paid according to the Medicaid fee schedule.
- Commercial and Other Insurance – The Organization has entered into agreements with numerous nongovernmental third-party payors to provide patient care to beneficiaries under a variety of payment arrangements. These include contracts with commercial insurance companies and workers' compensation plans, which reimburse the Organization on a fee schedule, a percentage of billed charges, or a percentage of RBRVS.

Net patient service revenue is reported when services are provided to patients, including capitation payment arrangements, 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 include differences between established billing rates and amounts reimbursable under various contractual agreements. Contractual adjustments are recorded as deductions from professional fee revenue to arrive at net patient service revenue. Contractual adjustments were $39,756 during the fiscal years ended June 30, 2022. The Organization also treats patients without insurance or provides elective surgery services that are not covered by third-party payors. Bad debt expenses of $8,896 were incurred during the fiscal year ended June 30, 2022.

NOTE 23 - System Related Organizations (continued):

Contract Revenue

Contract revenue includes agreements the Organization has with various local hospitals and other organizations for on-call services and medical directorship. These agreements are based on specified rates. Contract revenue is recognized when services are performed.

NOTE 24 – COVID-19:

Since March 17, 2020, the spread of COVID-19 has severely impacted our state economy and resulted in reductions in state appropriations and revenues generated from operations. Measures taken to contain the spread of the virus included placing capital projects on hold, furloughs, travel bans, quarantines, social distancing, and closures of non-essential services. The U.S. Government has responded with monetary and fiscal interventions to stabilize the economic conditions. In Fiscal 2022 the universities and colleges have received direct awards for student financial aid and essential services. Those funds are reported in the financial statements as of June 30, 2022. The U.S. Government also provided direct awards to the State of Nevada.

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REQUIRED SUPPLEMENTARY INFORMATION

NEVADA SYSTEM OF HIGHER EDUCATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (in $1,000's)
Public Employees' Retirement System of Nevada Last 10 Fiscal Years
Last 10 Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
System's proportion of the net pension liability	2.99%	3.00%	3.00%	2.92%	2.88%	2.89%	2.83%	2.81%	(Historical information prior to the implementation of GASB 67/68 is not required)	
System's proportionate share of the net pension liability	$ 272,974	$ 424,238	$ 414,036	$ 398,883	$ 383,226	$ 389,352	$ 324,708	$ 292,841		
System's covered-employee payroll	$ 205,049	$ 200,838	$ 196,183	$ 187,737	$ 179,694	$ 171,007	$ 165,653	$ 162,250		
System's proportionate share of the net pension liability as a percentage of its covered-employee payroll	133.13%	211.23%	211.05%	212.47%	213.27%	227.68%	196.02%	180.49%		
PERS fiduciary net position as a percentage of the total net pension liability	86.51%	77.04%	76.46%	75.24%	74.42%	72.23%	75.13%	75.13%		

* The amounts reported for each fiscal year were determined as of June 30 of the prior fiscal year.

Unaudited

NEVADA SYSTEM OF HIGHER EDUCATION
SCHEDULE OF SYSTEMS CONTRIBUTIONS FOR THE TOTAL NET PENSION LIABILITY (in $1,000's)
Public Employees' Retirement System of Nevada Last 10 Fiscal Years
Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractual required contribution	$ 30,715	$ 31,286	$ 30,564	$ 28,549	$ 27,030	$ 34,456	$ 33,124	$ 29,901	(Historical information prior to the implementation of GASB 67/68 is not required)	
Contributions in relation to contractually required contribution	(30,715)	(31,286)	(30,564)	(28,549)	(27,030)	(43,152)	(35,756)	(29,901)		
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ (8,696)	$ (2,632)	$ -		
System's covered-employee payroll	$ 198,288	$ 205,049	$ 200,838	$ 196,183	$ 187,737	$ 179,694	$ 171,007	$ 165,653		
Contributions as a percentage of covered-employee payroll	15.49%	15.26%	15.22%	14.55%	14.40%	19.17%	19.37%	18.05%		

The accompanying notes are an integral part of these financial statements

Unaudited

NEVADA SYSTEM OF HIGHER EDUCATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (in $1,000's)
State of Nevada Retirees' Health Welfare Benefits Plan
Last 10 Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
System's proportion of the net OPEB liability	40.10%	40.35%	40.85%	39.13%	(Historical information prior to the implementation of GASB 74/75 is not required)					
System's proportionate share of the net OPEB liability	621,544	606,769	569,268	518,254						
System's covered-employee payroll	744,695	757,182	711,803	667,622						
System's proportion share of the net OPEB liability as a percentage of its covered-employee payroll	83.46%	80.14%	79.98%	77.63%						
State of Nevada Retirees' Health and Welfare Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%						

The accompanying notes are an integral part of these financial statements

NEVADA SYSTEM OF HIGHER EDUCATION
SCHEDULE OF SYSTEMS CONTRIBUTIONS FOR THE NET OPEB LIABILITY (in $1,000's)
State of Nevada Retirees' Health Welfare Benefits Plan
Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractual required contributions	$ 16,061	$ 17,426	$ 17,794	$ 16,727	$ 15,689	(Historical information prior to the implementation of GASB 74/75 is not required)				
Contributions in relation to the contractual required contribution	(16,058)	(15,857)	(17,716)	(16,656)	(15,702)					
Contribution deficiency(excess)	$ 3	$ 1,569	$ 78	$ 71	$ (13)					
System's covered-employee payroll	$ 740,121	$ 744,695	$ 757,182	$ 711,803	$ 667,622					
Contributions as a percentage of covered-employee payroll	2.17%	2.34%	2.35%	2.35%	2.35%					

NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE REQUIRED SCHEDULES FOR THE NET OPEB LIABILITY
State of Nevada Retirees' Health Welfare Benefits Plan

Valuation date	January 1, 2020
Methods used to determine contribution rates:	
Acturial Cost Method	Entry Age Normal Level % of Pay
Asset Valuation Method	Market Value of Assets
Retirement Age**	67.6
Mortality	Civilians: Pub-2010 Public Retirement Plans General Mortality Table weighted by Headcount, projected by MP-2020

** Weighted average retirement age based on January 1, 2020 census data and retirement rates provided in the "Actuarial Assumptions and Methods" section of the report for State Inactive Participants

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SUPPLEMENTAL INFORMATION

Unaudited

NEVADA SYSTEM OF HIGHER EDUCATION
COMBINING STATEMENTS OF NET POSITION (in $1,000's)
AS OF JUNE 30, 2022

	CSN	DRI	GBC	NSC	SA	TMCC
ASSETS						
Current Assets						
Cash and cash equivalents	$ 4,652	$ 4,630	$ 1,651	$ 4,885	$ (47,422)	$ 7,063
Restricted cash and cash equivalents	-	133	-	-	-	-
Short-term investments	71,797	35,060	5,182	18,870	31,420	40,632
Accounts receivable, net	5,763	1,146	1,780	1,335	472	2,152
Receivable from U.S. Government	25,957	3,789	1,642	3,326	986	2,729
Receivable from State of Nevada	537	70	14	22	376	1,001
Receivable from other institutions	-	-	-	35	531	-
Current portion of loans receivable, net	-	-	-	-	-	-
Due from System Related Organizations	-	-	-	-	-	493
Leases Receivable	-	949	-	-	-	196
Leases Receivable Due from Related Organizations	-	-	-	-	-	-
Inventories	641	-	-	-	-	40
Deposits and prepaid expenditures, current	3,314	102	539	5	2,457	26
Other current assets	-	-	-	-	-	72
Total Current Assets	112,661	45,879	10,808	28,478	(11,180)	54,404
Noncurrent Assets						
Cash held by State Treasurer	13	-	526	104	2	-
Restricted cash and cash equivalents	2,724	-	-	-	-	-
Receivable from State of Nevada	-	-	-	-	-	-
Endowment investments	6,948	39,829	854	-	10,981	13,191
Deposits and prepaid expenditures	967	37	-	-	-	-
Loans receivable, net	-	-	-	-	-	-
Leases Receivable, LT	-	-	-	-	-	83
Leases Receivable Due from Related Organizations, LT	-	-	-	-	-	-
Capital assets, net	287,657	48,381	41,672	119,402	9,140	75,796
Other noncurrent assets	-	-	-	-	-	-
Total Noncurrent Assets	298,309	88,247	43,052	119,506	20,123	89,070
TOTAL ASSETS	410,970	134,126	53,860	147,984	8,943	143,474
DEFERRED OUTFLOWS OF RESOURCES						
OPEB related	5,347	1,575	810	1,493	937	1,801
Loss on bond refunding	-	-	-	-	-	-
Pension related	21,319	4,740	3,203	3,262	4,695	7,242
TOTAL DEFERRED OUTFLOWS OF RESOURCES	26,666	6,315	4,013	4,755	5,632	9,043

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

	CSN	DRI	GBC	NSC	SA	TMCC
LIABILITIES						
Current Liabilities						
Accounts payable	3,664	541	201	1,122	780	1,080
Accrued payroll and related liabilities	8,666	2,303	1,072	2,645	18,792	2,844
Unemployment insurance and workers' compensation	503	41	104	47	20	186
Due to other institutions	1,698	652	184	680	(20,913)	319
Due to System Related Organizations	-	-	-	-	-	-
Current portion of compensated absences	3,607	3,357	406	685	1,073	1,368
Current portion of long-term debt	2,669	785	-	1,567	-	497
Current portion of leases payable	1,478	133	18	-	539	-
Accrued interest payable	1,209	7	-	6	-	308
Unearned revenue	4,770	4,090	947	2,443	436	2,504
Deposits held for others	256	-	69	16	-	93
Other current liabilities	20	-	-	-	-	-
Total Current Liabilities	28,540	11,909	3,001	9,211	727	9,199
Noncurrent Liabilities						
Refundable advances under federal loan programs	-	-	-	-	-	-
Compensated absences	1,460	976	213	1,551	742	561
Long-term debt	66,974	-	-	43,213	-	15,334
Lease Payable	237	133	54	-	1,144	-
Net pension liability	37,909	8,827	6,121	2,753	7,058	13,846
Net OPEB Liability	65,495	19,292	9,921	18,292	11,475	22,068
Other noncurrent liabilities	-	-	-	623	-	-
Total Noncurrent Liabilities	172,075	29,228	16,309	66,432	20,419	51,809
TOTAL LIABILITIES	200,615	41,137	19,310	75,643	21,146	61,008
DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-
Service Concession Arrangements	-	-	-	-	-	-
Deferred Inflows on Leases	-	949	-	-	-	275
OPEB Related	2,671	787	405	746	468	900
Gain on bond refunding	-	-	-	-	-	-
Pension related	28,858	7,073	4,615	5,369	7,168	10,451
TOTAL DEFERRED INFLOWS OF RESOURCES	31,529	8,809	5,020	6,115	7,636	11,626
NET POSITION						
Net investment in capital assets	216,300	47,537	41,517	57,688	7,457	59,965
Restricted - Nonexpendable	2,221	24,015	854	-	7,166	5,773
Restricted - Expendable - Scholarships, research and instruction	9,532	22,008	808	1,284	5,157	20,860
Restricted - Expendable - Loans	-	-	200	(107)	28	52
Restricted - Expendable - Capital projects	2,737	103	1,256	24	9	-
Restricted - Expendable - Debt service	5,947	-	717	7,905	-	450
Unrestricted	(31,245)	(3,168)	(11,809)	4,187	(34,024)	(7,217)
TOTAL NET POSITION	$ 205,492	$ 90,495	$33,543	$ 70,981	$ (14,207)	$ 79,883

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

Unaudited

NEVADA SYSTEM OF HIGHER EDUCATION
COMBINING STATEMENTS OF NET POSITION (in $1,000's)
(CONTINUED)
AS OF JUNE 30, 2022

	UNLV	UNR	WNC	Eliminations	TOTAL
ASSETS					
Current Assets					
Cash and cash equivalents	$ 44,738	$ 50,214	$ 1,102	$ -	$ 71,513
Restricted cash and cash equivalents	-	-	-	-	133
Short-term investments	388,282	178,012	8,109	-	777,364
Accounts receivable, net	17,468	18,600	457	-	49,173
Receivable from U.S. Government	52,732	53,606	1,120	-	145,887
Receivable from State of Nevada	2,225	2,171	356	-	6,772
Receivable from other institutions	-	-	-	(566)	-
Current portion of loans receivable, net	225	693	-	-	918
Due from System Related Organizations	3,527	336	-	517	4,873
Leases Receivable	2,133	1,574	-	-	4,852
Leases Receivable Due from Related Organizations	2,927	-	-	-	2,927
Inventories	1,589	8,071	-	-	10,341
Deposits and prepaid expenditures, current	6,709	7,270	-	-	20,422
Other current assets	1,155	55	-	-	1,282
Total Current Assets	523,710	320,602	11,144	(49)	1,096,457
Noncurrent Assets					
Cash held by State Treasurer	30,861	-	-	-	31,506
Restricted cash and cash equivalents	15,093	10,192	-	-	28,009
Receivable from State of Nevada	-	209	-	-	209
Endowment investments	63,139	155,339	309	-	290,590
Deposits and prepaid expenditures	304	-	-	-	1,308
Loans receivable, net	2,132	2,638	-	-	4,770
Leases Receivable, LT	24,221	6,853	-	-	31,157
Leases Receivable Due from Related Organizations, LT	14,987	-	-	-	14,987
Capital assets, net	982,383	1,052,839	22,638	-	2,639,908
Other noncurrent assets	150	-	-	-	150
Total Noncurrent Assets	1,133,270	1,228,070	22,947	-	3,042,594
TOTAL ASSETS	1,656,980	1,548,672	34,091	(49)	4,139,051
DEFERRED OUTFLOWS OF RESOURCES					
OPEB related	21,378	16,789	612	-	50,742
Loss on bond refunding	2,852	5,878	-	-	8,730
Pension related	53,931	54,143	3,704	-	156,239
TOTAL DEFERRED OUTFLOWS OF RESOURCES	78,161	76,810	4,316	-	215,711

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

	UNLV	UNR	WNC	Eliminations	TOTAL
LIABILITIES					
Current Liabilities					
Accounts payable	22,033	28,071	256	-	57,748
Accrued payroll and related liabilities	37,119	28,293	1,063	-	102,797
Unemployment insurance and workers' compensation	1,540	1,606	112	-	4,159
Due to other institutions	10,770	6,958	183	(440)	91
Due to System Related Organizations	1,292	227	-	391	1,910
Current portion of compensated absences	17,335	12,564	663	-	41,058
Current portion of long-term debt	19,633	15,867	-	1,106	42,124
Current portion of leases payable	5,603	1,873	-	(1,106)	8,538
Accrued interest payable	4,513	6,676	-	-	12,719
Unearned revenue	27,829	21,267	449	-	64,735
Deposits held for others	1,383	1,153	173	-	3,143
Other current liabilities	2,664	535	-	-	3,219
Total Current Liabilities	151,714	125,090	2,899	(49)	342,241
Noncurrent Liabilities					
Refundable advances under federal loan programs	2,417	1,729	-	-	4,146
Compensated absences	11,415	6,640	-	-	23,558
Long-term debt	229,474	362,290	-	628	717,913
Lease Payable	22,941	4,558	-	(628)	28,439
Net pension liability	89,422	100,085	6,953	-	272,974
Net OPEB Liability	261,851	205,648	7,502	-	621,544
Other noncurrent liabilities	-	-	-	-	623
Total Noncurrent Liabilities	617,520	680,950	14,455	-	1,669,197
TOTAL LIABILITIES	769,234	806,040	17,354	(49)	2,011,438
DEFERRED INFLOWS OF RESOURCES		-	-	-	
Service Concession Arrangements	1,210	-	-	-	1,210
Deferred Inflows on Leases	44,443	8,304	-	-	53,971
OPEB Related	10,680	8,388	306	-	25,351
Gain on bond refunding		594	-	-	594
Pension related	75,021	80,757	5,347	-	224,659
TOTAL DEFERRED INFLOWS OF RESOURCES	131,354	98,043	5,653	-	305,785
NET POSITION					
Net investment in capital assets	722,558	674,969	22,794	-	1,850,785
Restricted - Nonexpendable	12,171	40,236	327	-	92,763
Restricted - Expendable - Scholarships, research and instruction	60,507	108,469	1,153	-	229,778
Restricted - Expendable - Loans	637	6,769	(1,144)	-	6,435
Restricted - Expendable - Capital projects	33,401	18,213	(400)	-	55,343
Restricted - Expendable - Debt service	12,872	11,747	-	-	39,638
Unrestricted	(7,593)	(139,004)	(7,330)	-	(237,203)
TOTAL NET POSITION	$ 834,553	$ 721,399	$ 15,400	$ -	$ 2,037,539

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

Unaudited

NEVADA SYSTEM OF HIGHER EDUCATION
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (in $1,000's)
AS OF JUNE 30, 2022

	CSN	DRI	GBC	NSC	SA	TMCC
Operating Revenues						
Student tuition and fees (net of scholarship allowance of $209,511)	$ 54,279	$ -	$ 6,881	$ 10,541	$ -	$ 16,090
Federal grants and contracts	9,404	24,449	2,694	14,065	1,142	4,773
State grants and contracts	4,512	138	712	1,443	-	1,861
Local grants and contracts	-	-	-	-	25	-
Other grants and contracts	209	10,511	1,872	60	234	407
Sales and services of educational departments (including $32,010 from System Related Organizations)	1,864	211	130	34	2,447	603
Sales and services of auxiliary enterprises (net of scholarship allowance of $10,516)	1,244	-	454	45	-	1,615
Interest earned on loans receivable	-	-	-	-	54	-
Other operating revenues	878	1,384	190	416	2,289	333
Total Operating Revenues	72,390	36,693	12,933	26,604	6,191	25,682
Operating Expenses						
Employee compensation and benefits	(127,795)	(33,602)	(19,338)	(37,864)	(17,946)	(44,338)
Utilities	(3,217)	(914)	(730)	(620)	(25)	(1,026)
Supplies and services	(59,973)	(8,200)	(4,363)	(13,530)	(8,471)	(11,085)
Scholarships and fellowships	(59,025)	-	(4,491)	(5,004)	(310)	(13,558)
Depreciation	(17,170)	(4,577)	(2,152)	(4,004)	(1,684)	(4,613)
Total Operating Expenses	(267,180)	(47,293)	(31,074)	(61,022)	(28,436)	(74,620)
Operating Income (Loss)	(194,790)	(10,600)	(18,141)	(34,418)	(22,245)	(48,938)
Nonoperating Revenues (Expenses)						
State appropriations	105,796	7,616	14,437	25,650	22,742	36,483
Gifts (including $50,185 from System Related Organizations)	899	1,094	276	766	-	956
Investment income (loss), net	(7,246)	(3,845)	(614)	(1,762)	(940)	(4,024)
Gain (loss) on disposal of capital assets	35	(895)	-	-	(287)	(46)
Interest expense	(2,453)	(119)	(1)	(2,166)	(13)	(566)
Interest revenue	-	-	-	-	-	-
Payments to System campuses and divisions	12,029	5,176	1,073	(439)	(124,088)	6,312
Other nonoperating revenues	-	-	(100)	2,502	227	3
Federal grants and contracts	118,643	443	5,350	6,263	527	17,606
Total Nonoperating Revenues	227,703	9,470	20,421	30,814	(101,832)	56,724
Loss Before Other Revenue (Expenses)	32,913	(1,130)	2,280	(3,604)	(124,077)	7,786
Other Revenues (Expenses)						
State appropriations restricted for capital purposes	(7,506)	3	18	1,675	(37)	7
Capital grants and gifts (including $15,467 from System Related Organizations)	253	-	5,436	-	-	1,588
Return of Capital Gifts	-	-	-	-	-	-
Additions (Deductions) to permanent endowments (including $611 to System Related Organizations)	-	312	-	-	8	260
Total Other Revenues	(7,253)	315	5,454	1,675	(29)	1,855
Increase (Decrease) in Net Position	25,660	(815)	7,734	(1,929)	(124,106)	9,641
NET POSITION						
Net position - beginning of year	179,832	91,310	25,809	72,910	109,899	70,242
Net position - end of year	$ 205,492	$ 90,495	$ 33,543	$ 70,981	$ (14,207)	$ 79,883

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

Unaudited

NEVADA SYSTEM OF HIGHER EDUCATION
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (in $1,000's)
(CONTINUED)
AS OF JUNE 30, 2022

	UNLV	UNR	WNC	Eliminations	TOTAL
Operating Revenues					
Student tuition and fees (net of scholarship allowance of $209,511)	$ 229,406	$ 154,479	$ 5,785	$ (113)	$ 477,348
Federal grants and contracts	57,829	156,510	2,768	(5,339)	268,295
State grants and contracts	24,008	19,220	394	(28)	52,260
Local grants and contracts	467	3,340	-	(187)	3,645
Other grants and contracts	3,784	23,097	57	(576)	39,655
Sales and services of educational departments (including $32,010 from System Related Organizations)	99,637	72,884	103	(3,775)	174,138
Sales and services of auxiliary enterprises (net of scholarship allowance of $10,516)	38,522	37,608	960	(3)	80,445
Interest earned on loans receivable	25	92	-	-	171
Other operating revenues	4,584	6,770	215	(6,013)	11,046
Total Operating Revenues	458,262	474,000	10,282	(16,034)	1,107,003
Operating Expenses					
Employee compensation and benefits	(533,919)	(412,748)	(17,623)	-	(1,245,173)
Utilities	(12,700)	(10,372)	(505)	-	(30,109)
Supplies and services	(165,867)	(186,446)	(7,133)	16,092	(448,976)
Scholarships and fellowships	(66,746)	(40,560)	(5,980)	345	(195,329)
Depreciation	(50,895)	(46,355)	(1,391)	-	(132,841)
Total Operating Expenses	(830,127)	(696,481)	(32,632)	16,437	(2,052,428)
Operating Income (Loss)	(371,865)	(222,481)	(22,350)	403	(945,425)
Nonoperating Revenues (Expenses)					
State appropriations	234,506	178,475	13,950	-	639,655
Gifts (including $50,185 from System Related Organizations)	23,113	23,964	1,672	(38)	52,702
Investment income (loss), net	(35,337)	(23,248)	(2,024)	(307)	(79,347)
Gain (loss) on disposal of capital assets	(1,130)	(2,868)	2	-	(5,189)
Interest expense	(7,871)	(13,388)	-	-	(26,577)
Interest revenue	-	50	-	-	50
Payments to System campuses and divisions	61,722	33,477	1,273	-	(3,465)
Other nonoperating revenues	3,317	(160)	384	(58)	6,115
Federal grants and contracts	130,583	65,922	8,729	-	354,066
Total Nonoperating Revenues	408,903	262,224	23,986	(403)	938,010
Loss Before Other Revenue (Expenses)	37,038	39,743	1,636	-	(7,415)
Other Revenues (Expenses)					
State appropriations restricted for capital purposes	(1)	209	5	-	(5,627)
Capital grants and gifts (including $15,467 from System Related Organizations)	5,096	3,208	10	-	15,591
Return of Capital Gifts	(29)	-	-	-	(29)
Additions (Deductions) to permanent endowments (including $611 to System Related Organizations)	36	31	-	-	647
Total Other Revenues	5,102	3,448	15	-	10,582
Increase (Decrease) in Net Position	42,140	43,191	1,651	-	3,167
NET POSITION					
Net position - beginning of year	792,413	678,208	13,749	-	2,034,372
Net position - end of year	$ 834,553	$ 721,399	$ 15,400	$ -	$ 2,037,539

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

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Board of Regents
Nevada System of Higher Education

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities and the aggregate discretely presented component units of Nevada System of Higher Education (the "Entity") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Entity's basic financial statements, and have issued our report thereon dated March 31, 2023.

Our report includes a reference to other auditors who audited the financial statements of University of Nevada, Reno Foundation; Wolf Pack Athletic Association (formerly Athletic Association, University of Nevada Inc.); Desert Research Institute Foundation; Desert Research Institute Research Parks LTD; Western Nevada College Foundation; Great Basin College Foundation; University of Nevada, Las Vegas Foundation; University of Nevada, Las Vegas Research Foundation; Rebel Golf Foundation; University of Nevada, Las Vegas Alumni Association; College of Southern Nevada Foundation; and Nevada State College Foundation, as described in our report on the Entity's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

The financial statements of Great Basin College Foundation; Rebel Golf Foundation; University of Nevada, Las Vegas Alumni Association; and Nevada State College Foundation were not audited in accordance with Government Auditing Standards for the year ended June 30, 2022.

Report on internal control over financial reporting
In planning and performing our audit of the financial statements, we considered the Entity's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the Entity's internal control.

A deficiency in internal control 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the

Entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2022-001 and 2022-002 that we consider to be significant deficiencies.

Report on compliance and other matters

As part of obtaining reasonable assurance about whether the Entity's financial statements are free from 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Entity's response to findings

Government Auditing Standards requires the auditor to perform limited procedures on the Entity's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Entity's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the Entity's response.

Purpose of this report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Entity's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Grant Thornton LLP

San Jose, California
March 31, 2023

Nevada System of Higher Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2022

SECTION I — SUMMARY OF INDEPENDENT ACCOUNTANTS' RESULTS

Financial Statements

Type of independent accountants' report issued:.. unmodified

Internal control over financial reporting:

- Material weakness identified? ....none
- Significant deficiencies identified that are not considered to be material weaknesses?..yes

Noncompliance material to financial statements noted? ....none reported

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2022

SECTION II – FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

Finding 2022-001 Accounting for Net Position

Criteria
GASB Statement No 34 requires the reporting of the following three components of net position: (1) net investment in capital assets, (2) restricted both expendable and nonexpendable) and (3) unrestricted.

Condition
At the College of Southern Nevada (CSN), $23 million of net position was classified as restricted net position when it should have been classified as unrestricted net position.

Context
The $23 million was associated with a receivable from the US Department of Education to reimburse CSN for its past expenditure of an Education Stabilization Fund grant. Because the grant had already been expended for its restricted purpose, there was no remaining restriction, and the associated net position should have been classified as unrestricted.

Effect
Restricted net position was overstated, and unrestricted net position was understated by $23 million. The classification matter was ultimately corrected by CSN in its final financial statements.

Cause
Supervisory review controls did not identify the classification error.

Recommendation
Supervisory review controls should be enhanced the net position reconciliation is complete and accurate.

Views of Responsible Officials (unaudited)
Management concurs.

Finding 2022-002 Adoption of GASB 87, Leases

Criteria
GASB Statement No. 87 Leases

Condition

Upon adoption of GASB No. 87 Leases, NSHE classified a $44 million financing arrangement for a building at Nevada State College (NSC) as a lease obligation.

Context
Because the underlying contract was to transfer ownership of the building to NSC, it should have been accounted for as a financed purchase obligation instead of a lease obligation.

Effect
Lease liabilities were overstated by $44 million and long-term debt obligations were understated by $44 million. The classification matter was ultimately corrected by NSC in its final financial statements.

Cause
The underlying contract had not been fully analyzed as part of the adoption of GASB 87.

Recommendation
All significant, relevant contracts and transactions within NSHE should be analyzed whenever adopting a new accounting pronouncement.

Views of Responsible Officials (unaudited)

Management concurs.

FINDING 2021-001 – Internal Control over the Estimates of Fair Value of Alternative Investments

Criteria
Internal control environments that operate optimally provide for the timely and accurate support of accounting estimates in the financial statements. Accounting estimates generally involve subjective assumptions and measurement uncertainty. A fair value measure is a form of accounting estimate.

Condition
Nevada System of Higher Education (NSHE) reflects its investment portfolio at estimated fair value in its June 30, 2021 financial statements. The portfolio is comprised of traded investments where fair value is determined by active exchange trades of the underlying securities. The portfolio also includes alternative investments which are non-traded investments commonly structured as partnerships or limited liability companies whereby NSHE is a limited partner and partial owner of those partnerships. The estimated fair value of NSHE's ownership is computed by the general partner/manager of that partnership and is provided to NSHE who records the figure in its own financial statements. Unlike exchange trade investments where NSHE can corroborate fair values at June 30 based on trades of the same investment on an active exchange, corroborating fair value of an alternative investment involves other measures including understanding the general partner's methodology and assumptions and evaluating those against other data including the fair value figures reported in the partnership's own audited financial statements. For the year ended June 30, 2021 NSHE's process of corroborating fair values of alternative investments was delayed well into October 2021 and experienced some quality issues. The supervisory review was, in turn, delayed as was the identification and correction of the quality matters.

Context
At June 30, 2021, NSHE reflected ownership interest in 90 alternative investments with a fair value of $286 million in its financial statements. These alternative investments represented 7% of NSHE's total assets.

Cause
Changes in personnel assigned to verify 2021 fair value figures resulted in a steep learning curve for the new individuals tasked with the process. There were delays in gathering the assumptions used and other core data needed for the analysis.

Effect
Supervisory review of the analysis was delayed until the project was complete. This, in turn, delayed the annual audit process which involves testing management's process.

Recommendation
We recommend appropriate training and oversight be provided to those individuals tasked with the process along with starting the process earlier in the fiscal year.

Views of Responsible Officials (unaudited)
Management concurs.

Current Status
Implemented.

Nevada System of Higher Education

www.nevada.edu

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2601 Enterprise Road
Reno, NV 89512
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RESPONSES TO FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2022

SECTION II - FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

FINDING 2022-001 – Accounting for Net Position

Responses
CSN–

- **Detailed corrective action taken, including what will be done to avoid the identified issues in the future, and when these measures will be in place;**

  CSN agrees with the finding. The Controller's office has had significant position vacancies during the prior year and during the time period in which this financial review should have occurred. The Controller has been trying to fill a Director of Financial Reporting and four Senior Accountant positions that would support the financial accounting work. The positions are currently posted and when they are filled, appropriate supervision and review of financial transactions can occur.

- **How compliance and performance will be measured and documented for future audit, management and performance review.**

  Appropriate supervision and review of financial transactions will ensure that net position is classified appropriately.

- **Who will be responsible and may be held accountable in the future if repeat or similar observations are noted.**

  The Controller will be responsible for repeat or similar observations. The institution will ensure that the department has appropriate resources.

FINDING 2022-002 – Adoption of GASB 87, Leases

Responses
NSHE/NSC–

- **Detailed corrective action taken, including what will be done to avoid the identified issues in the future, and when these measures will be in place;**

  We agree with this finding. All agreements and contracts associated with new pronouncements will continue to be reviewed in conjunction with the entire NSHE Controller community and System Administration, who have expertise in this area, in detail necessary to determine affected accounting treatments.

System Administration
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- **How compliance and performance will be measured and documented for future audit, management and performance review.**

  We will continue to identify and utilize available monitoring tools created specifically to address any modified accounting treatments resulting from new and existing accounting pronouncements and standards. Entries for the financial statements will continue to be analyzed and discussed with the NSHE Controller community and System Administration financial staff as part of the year end processes.

- **Who will be responsible and may be held accountable in the future if repeat or similar observations are noted.**

  The NSC Controller is the responsible party for proper adoption of new pronouncements.

FINDING 2021-001 – Internal Control over the Estimates of Fair Value of Alternative Investments

Criteria
Internal control environments that operate optimally provide for the timely and accurate support of accounting estimates in the financial statements. Accounting estimates generally involve subjective assumptions and measurement uncertainty. A fair value measure is a form of accounting estimate.

Condition
Nevada System of Higher Education (NSHE) reflects its investment portfolio at estimated fair value in its June 30, 2021 financial statements. The portfolio is comprised of traded investments where fair value is determined by active exchange trades of the underlying securities. The portfolio also includes alternative investments which are non-traded investments commonly structured as partnerships or limited liability companies whereby NSHE is a limited partner and partial owner of those partnerships. The estimated fair value of NSHE's ownership is computed by the general partner/manager of that partnership and is provided to NSHE who records the figure in its own financial statements. Unlike exchange trade investments where NSHE can corroborate fair values at June 30 based on trades of the same investment on an active exchange, corroborating fair value of an alternative investment involves other measures including understanding the general partner's methodology and assumptions and evaluating those against other data including the fair value figures reported in the partnership's own audited financial statements. For the year ended June 30, 2021 NSHE's process of corroborating fair values of alternative investments was delayed well into October 2021 and experienced some quality issues. The supervisory review was, in turn, delayed as was the identification and correction of the quality matters.

Context
At June 30, 2021, NSHE reflected ownership interest in 90 alternative investments with a fair value of $286 million in its financial statements. These alternative investments represented 7% of NSHE's total assets.

Cause
Changes in personnel assigned to verify 2021 fair value figures resulted in a steep learning curve for the new individuals tasked with the process. There were delays in gathering the assumptions used and other core data needed for the analysis.

Effect
Supervisory review of the analysis was delayed until the project was complete. This, in turn, delayed the annual audit process which involves testing management's process.

Recommendation
We recommend appropriate training and oversight be provided to those individuals tasked with the process along with starting the process earlier in the fiscal year.

Views of Responsible Officials (unaudited)
Management concurs.

Current Status
Implemented.

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

From year ended June 30, 2021

FINANCIAL STATEMENT FINDINGS

FINDING 2021-001 – Internal Control over the Estimates of Fair Value of Alternative Investments

System Office Current Status

The oversight of the process was returned to the ACFO and the process started earlier as recommended. In addition, a meeting with the auditors clarified what is considered sufficient evidence for corroborating fair values of alternative investments. For the year ended June 30, 2022 NSHE's process of corroborating fair values of alternative investments was provided on schedule.

APPENDIX B

STATE FINANCIAL, ECONOMIC AND DEMOGRAPHIC INFORMATION

This appendix contains general information concerning the financial, economic and demographic conditions in the State. In addition, certain economic information regarding Washoe County, where UNR is located, and Clark County, where UNLV is located, has also been included. This information is provided so that prospective investors will be aware of factors which have affected development and growth within the State in the past. The information was obtained from the sources indicated and is limited to the time periods indicated. The System makes no representation as to the accuracy or completeness of the data obtained from sources other than the System. Except as indicated, the information is historic in nature; it is not possible to predict whether the trends shown will continue in the future.

The State has not participated in the preparation of this Official Statement, nor has it reviewed its contents. Information *about the State included in this Official Statement has been obtained through its website and other public documents.*

General

Nevada is called the "Silver State" because of the vast quantities of silver mined from the Comstock Lode in the 19th Century. Nevada is one of the eight mountain states, bordered by California, Oregon, Idaho, Utah, and Arizona. The State lies in the Great Basin, an arid region east of the Sierra Nevada Mountains, where annual rainfall averages less than ten inches. Nevada's topography consists of a series of parallel north-south valleys separated by high mountain ranges. The State's land area equals 110,000 square miles, of which almost 85% is under federal ownership or management.

Certain Financial Information - State General Fund

Annual Reports. The State Controller prepares comprehensive annual financial reports setting forth the financial condition of the State as of June 30 of each fiscal year. The comprehensive annual financial report is the official financial report of the State and is prepared following GAAP. The most recent State comprehensive annual financial report is as of June 30, 2022. Copies of the State's comprehensive annual financial reports (including the State's audited basic financial statements) are available at the State Controller's website at www.controller.nv.gov.

Budget Procedure. The State is constitutionally required to maintain a balanced budget. The Nevada Constitution also requires an affirmative vote of not less than two-thirds of the members of both houses of the State Legislature to pass a measure which (a) creates, generates or increases any public revenue in any form, including, but not limited to, taxes, fees, assessments and rates or (b) makes changes in the computation bases for taxes, fees, assessments and rates.

On or before July 1 of each even-numbered year, the Governor must impanel an economic forum (the "Economic Forum") comprising three members appointed by the Governor, one member nominated by the majority leader of the Senate, and one member nominated by the Speaker of the Assembly. The Economic Forum updates projections for state revenue collections (for unrestricted uses) for the final year of the biennium in which it is impaneled and establishes revenue forecasts for the next biennium. State law requires the written report of the Economic Forum's forecasts of future State General Fund revenue that currently must be made on or before December 3 of each even-numbered year and May 1 of each odd-numbered year. State law also requires the Economic Forum to hold additional meetings, on or before June 10 of each even-numbered year and December 10 of each odd-numbered year. At each of these meetings, the Economic Forum receives an update on the status of actual State General Fund revenue collections compared to the Economic Forum's most recent forecast. The Economic Forum also considers information on current economic indicators such as employment, unemployment, personal income and any other indicators deemed appropriate by the Economic Forum. The chair of the Economic Forum is required to provide a report of each meeting to the Interim Finance Committee and the information presented to the Interim Finance Committee must be made available on the website of the State Legislature. A seven-member Technical Advisory Committee (the "TAC") advises the Economic Forum as requested. On December 5, 2022, the Economic Forum provided revised revenue estimates for fiscal year 2023, as well as for the following two years.

State statutes require all State Executive Branch agencies and departments to submit their two-year budgets to the Budget Division by the September 1 prior to the biennial meeting of the State Legislature. The Budget Division holds hearings in September and October on the submitted budgets and the Governor reviews the proposals in November. In mid-January, the two-year budget is finalized and submitted to the State Legislature at least fourteen days before the start of each biennial regular session. The Judicial and Legislative Branch agencies, as well as PERS, submit their two-year budgets directly to the State Legislature.

The State Legislature holds hearings and approves or modifies the two-year budget. The budget is enacted through a General Appropriations Act, which authorizes expenditures from unrestricted revenues, and an Authorized Expenditures Act, which authorizes expenditures from revenues collected for a specific purpose. The General Appropriations Act must be balanced to the May Economic Forum forecast of General Fund revenues. The budget may be augmented by other appropriations acts enacted by the State Legislature. The Interim Finance Committee is authorized to modify budgets to fund necessary expenditures between the legislative sessions in amounts determined by statute or as approved by the State Legislature.

The budget prepared by the Governor must provide for a reserve of not less than 5% of all proposed General Fund operating appropriations and authorizations. The State Controller is also required to deposit a portion of the unrestricted balance of the State General Fund to a reserve for the stabilization of the operation of the State. In response to the projected fiscal year 2020 budget shortfall from the fiscal impact of the COVID-19 pandemic, the Interim Finance Committee approved the transfer of the entire balance to the General Fund in June 2020. The unrestricted General Fund ending balance for fiscal year 2020 triggered a transfer to the Stabilization Account in fiscal year 2021, and it is expected that based on the projected unaudited General Fund unrestricted ending fund balance for fiscal year 2021, it will trigger another transfer to the Stabilization Account in fiscal year 2022. See "The Account to Stabilize the Operation of State Government" below.

The Account to Stabilize the Operation of State Government. The Account to Stabilize the Operation of State Government (the "Stabilization Account") is an account in the State General Fund created pursuant to NRS 353.288. Money from the Stabilization Account may be appropriated only if (i) total actual revenue of the State falls short of the total anticipated revenue for the biennium in which the transfer will be made by 5% or more, as determined by the Legislature, or by the Interim Finance Committee if the State Legislature is not in session, or (ii) the Legislature, or the Interim Finance Committee if the Legislature is not in session, and the Governor declare that a fiscal emergency exists. In addition, the money in the Stabilization Account may be allocated directly by the Legislature to be used for any other purpose.

Additions to the stabilization arrangement are triggered at the end of a fiscal year if the General Fund unrestricted fund balance, budgetary basis, exceeds 7% of the General Fund operating appropriations. Forty percent of the excess is deposited to the Stabilization Account and is classified on the balance sheet as committed for fiscal emergency.

The 2009 Legislature passed legislation requiring the State Controller to transfer 1% of the total anticipated revenue projected for that fiscal year by the Economic Forum in May of odd-numbered years, as adjusted by any legislation enacted by the State Legislature that affects State revenue for that fiscal year, to the Stabilization Account at the beginning of each fiscal year. The 1% Transfer was scheduled to commence with fiscal year 2012 but due to the economic downturn, the 1% Transfer was deferred until it was commenced in fiscal year 2018. Due to the COVID-19 pandemic and its impact on the State budget, the 2020 Special Session deferred the 1% Transfer to the Stabilization Account for fiscal year 2021. The1% Transfer continued in fiscal year 2022.

The maximum balance allowed in the Stabilization Account is 20% of the total of all appropriations from the State General Fund for the operation of all departments, institutions and agencies of the State Government and for the funding of schools and authorized expenditures from the State General Fund for the regulation of gaming for the fiscal year in which that revenue will be transferred to the Stabilization Account.

At the end of fiscal year 2021, the Stabilization Account balance was $97,545,079, due to the ending fund balance in fiscal year 2020 being in excess of 7%, this transfer occurred in January 2021. Through AB494 of the 81st Legislative Session, these funds were transferred to the General Fund in fiscal year 2022. Subsequently, the State deposited $44.25 million in fiscal year 2022 and deposited $47.19 million in fiscal year 2023, representing the respective fiscal year 1% transfers. The General Fund unrestricted balance, budgetary basis, for fiscal year 2021 is $1,040.7 million, which is approximately 21% of all appropriations. This balance was in excess of 7% of the General Fund operating appropriations and therefore triggered a transfer to the Stabilization Account in fiscal year 2022 of $295.8 million (unaudited). As of September 1, 2022, the balance of the Stabilization Account is $387.2 million.

The 2017 Regular Session of the State Legislature also authorized a 10% retail excise tax for the sale of recreational marijuana in addition to any sales and use tax levied on the sale. The proceeds of the marijuana retail excise tax are to be deposited into the Stabilization Account. Revenue from the 10% retail excise tax revenue was $42.5 million and $55.2 million in fiscal year 2018 and fiscal year 2019, respectively.

The 2019 Legislature directed the revenue collected from the 10% excise retail tax on cannabis, which had been directed to the Stabilization Account to be deposited in the State Distributive School Account beginning fiscal year 2020.

General Fund. The purpose of the State General Fund is to finance the ordinary operation of the State and to finance those operations not provided for by other funds. Included are all transactions pertaining to the approved current operating budget, its accompanying revenue, expenditures and encumbrances, and its related asset, liability, and fund equity accounts. The State has numerous other funds, including Special Revenue Funds, Enterprise Funds, Internal Service Funds and Fiduciary Funds. Moneys on deposit in the Special Revenue Funds are used primarily to fund highway projects, Bond Bank Program transactions, and some of the activities of the State's regulatory agencies. Money on deposit in the Enterprise Funds is used primarily to fund housing projects and low interest loans for first-time homebuyers with low or moderate incomes, the Water Pollution Control and Safe Drinking Water Revolving Funds, the prepaid college tuition program and unemployment compensation.

The General Fund tables which follow have been obtained from the sources listed below. *They reflect General Fund revenues, and appropriations, and General Fund projections from the sources listed below on a budgetary basis.* The data depicting General Fund unappropriated balances reflect revenue collections and State agency expenditure information, Economic Forum forecasts with legislative adjustments, and Department of Administration revisions or projections. They are not presented in accordance with GAAP.

As used by the State, the term "General Fund unappropriated balance" represents unobligated and unencumbered funds available for appropriation by the State Legislature. Unspent appropriated moneys are not reflected as part of General Fund unappropriated balance until, there being no further obligations against the appropriation, the unexpended portion is returned to the General Fund as a reversion. Reversions are reflected as income contributed to the unappropriated balances. Reversions may not take place for several years after their appropriation, although usually they occur after the appropriated amounts are available for one year. At no time are outstanding appropriations included in General Fund unappropriated balances. This format is standard procedure for both the State Budget Division and the State Legislature.

State General Fund Revenue Sources. The State relies upon sales and use taxes, gaming taxes, business payroll and commerce taxes, insurance premium taxes, live entertainment taxes, cigarette taxes and real property transfer taxes for the bulk of its General Fund revenues. The State is constitutionally prohibited from having a personal income tax. Other taxes common in many states but not levied in Nevada are franchise, corporate income, special intangible, capital stock, chain store, inventory, stock transfer, and gift taxes.

Portions of the operating budgets for the various local taxing units in Nevada are funded with ad valorem taxes. Provisions for debt service payable with ad valorem taxes are made prior to determining operating budgets. Total ad valorem taxes levied by all overlapping units within the boundaries of any county (*i.e.*, the State, and any county, city, town, school district, or special district) may not exceed the statutory limitation of \$3.64 per \$100 of assessed valuation of property being taxed (subject to the exception for \$0.02 of the state-wide property tax rate per

$100 of assessed valuation that need not be counted against the $3.64 statutory cap). In the case of severe financial emergency in a particular local government as determined by the State Department of Taxation and the State Tax Commission, the State Tax Commission may order the levy of a combined overlapping tax rate of not more than $5.00 per $100 of assessed valuation.

The following taxes provide the State's General Fund with its major sources of income. See the table entitled "State General Fund Revenues" below for a history of the various general fund revenues described below.

Sales and Use Taxes. The State receives a 2% sales tax on all taxable sales and taxable items of use. Certain sales are exempt from State sales taxation, including but not limited to, domestic fuel, prescription drugs, food for home consumption and aircraft and major components thereof, based in Nevada. See "Sales and Use Tax" below. Current State law provides for a collection allowance provided to a taxpayer for collecting and remitting sales and use taxes of 0.25%, as well as a General Fund commission retained by the Department of Taxation for collecting and distributing the sales and use taxes generated by local option taxes of 1.75%.

Gaming Taxes. Nevada's gaming establishments are subject to several different taxes at the State level. The most important among these is the monthly gaming percentage fee, which accounts for the majority of gaming tax revenues. Other taxes and fees levied by the State on gaming include license renewals and quarterly and annual license fees based upon the number of slot machines and operational table games, investigative fees, race wire fees, penalties, and interest. See "Gaming and Tourism" below.

Modified Business Tax. The State levies a tax, known as the modified business tax, against applicable payrolls, less a deduction for employee healthcare expenses, for the privilege of conducting business in Nevada. The rate varies depending on how a business is classified. The tax rate for financial institutions and businesses subject to the net proceeds of minerals tax is 1.554%. The rate for all other businesses is 1.17% on taxable wages that exceed $50,000 per calendar quarter.

Commerce Tax. The State levies a tax known as the commerce tax, on the gross revenue of a business which is earned in the State of Nevada. The first $4,000,000 per year in gross revenues earned in the State of Nevada is exempt from the tax. The rates range from 0.051% to 0.331% of the gross revenue earned in the State of Nevada exceeding $4,000,000 depending on the primary industry category (NAICS code) assigned to the business. The tax is to be computed for each state fiscal year with the tax return and payment due 45 days after the end of the fiscal year. Commerce tax provide for a credit against a business' modified business tax due during the current fiscal year not to exceed 50% of the commerce tax paid by the business for the preceding fiscal year. The credit can be taken against any or all of the four quarterly modified business tax payments for the current fiscal year, but any amount of credit not used cannot be carried forward and used in succeeding fiscal years.

Insurance Premium Taxes. The State levies a tax on insurance companies doing business in Nevada. The tax rate is 3.5% of premiums written on policies and contracts covering property, subjects or risks located, resident or to be performed in this State. If qualified, the tax rate for risk retention groups is 2%.

Live Entertainment Taxes. The State imposes a live entertainment tax on certain gaming and non-gaming establishments providing entertainment. The tax rate is 9% on the admission charge when live entertainment is provided at a facility.

Cigarette Taxes. The State imposes a tax of $1.80 cents per package of 20 cigarettes of which $1.70 is retained by the State. The collection allowance provided to a taxpayer for collecting and remitting cigarette taxes remains at 0.25%.

Real Property Transfer Taxes. The State levies a tax on the value of transfers of real property. The tax is paid on a quarterly basis based on a rate of $1.30 per $500 of value.

Liquor Taxes. The State imposes a liquor tax, which is an excise tax levied upon the volume of alcoholic beverages for the privilege of importing, possessing, storing or selling liquor. The tax rate varies based on alcohol content. The collection allowance provided to a taxpayer for collecting and remitting sales and use taxes is currently 0.25%.

Business Licenses. The State imposes a business license fee of $200 for all types of businesses, except for corporations. The fee for corporations is $500. Entities that operate a facility where craft shows, exhibitions, trade shows, conventions, or sporting events take place may pay the business license fee for participants not having a business license at the rate of 1.25 times the number of unlicensed entities times the number of days of the event, or a flat annual fee of $5,000.

Net Proceeds of Minerals Taxes. The State imposes a mineral tax based on net proceeds at rates ranging from a minimum of 2% to a maximum of 5%. Local governments, school districts and the Consolidated Bond Interest and Redemption Fund receive revenue equal to the amount derived from the application of the respective property tax rate where the mine is located. Revenue above those amounts accrues to the State General Fund. The Legislature required the advance payment on the net proceeds of minerals tax in fiscal year 2009 based upon estimated net proceeds for the current calendar year. The advanced payment provision sunsetted on June 30, 2016. To address the expected budget shortfall from the COVID-19 pandemic's economic impacts, the 2020 special session approved legislation that required the advance payment on the net proceeds of minerals tax in fiscal year 2021 based on the estimated net proceeds for the calendar year 2021 for the General Fund portion only. The advance payment will revert back to the former method (tax due based on actual mining activity from the preceding calendar year) of taxing net proceeds on July 1, 2023. The 2021 Legislature directed the portion of the Net Proceeds of Mineral Tax currently deposited in the State General Fund to instead be deposited in the State Education Fund as a dedicated state funding source for the benefit of K-12 education under the Pupil- Centered Funding Plan for revenues from the tax imposed in fiscal year 2024 and beyond.

Medical Marijuana Taxes. Nevada voters approved medical marijuana by ballot initiative in 2000. The 2013 Legislature directed the Division of Public and Behavioral Health in the Department of Health and Human Services to develop regulations and authorize the creation of licensed and registered establishments to produce, test, and dispense medical marijuana and marijuana-infused products. Registered patients who were Nevada residents were allowed to possess no more than 2.5 ounces of usable marijuana in a single 14-day period. The 2013 Legislature enacted an excise tax imposed on medical marijuana at the rate of 2% at the cultivation facility, 2% at the production facility, and 2% at the medical marijuana dispensary, effective April 1, 2014. The tax at the dispensary was in addition to the state and local sales and use taxes that were otherwise imposed on the sale of tangible personal property. Statutory law provided that 25% of the revenue is distributed to the Division of Public and Behavior Health for carrying out the provisions of the medical marijuana act and 75% of the revenue is distributed to the State Distributive School Account. The 2017 State Legislature changed the tax structure for medical marijuana, as further described below in "—Recreational Marijuana Taxes". Medical marijuana establishments became operational in 2015.

Adult-Use Recreational Marijuana Taxes. While the possession and use of both medical and recreational marijuana remain illegal under the federal law, Nevada voters approved recreational marijuana by ballot initiative in 2016, allowing adults age 21 or older to purchase, possess, and consume up to one ounce of marijuana or up to one-eighth of an ounce of concentrated marijuana for recreational purposes. The measure imposed a new 15% excise tax on marijuana sales paid by cultivation facilities designed to allocate revenue from the tax, licensing fees, and penalties to the Department of Taxation and local governments to cover costs related to the measure, with any remaining revenue allocated to the State Distributive School Account. The ballot initiative was written to legalize recreational sales on January 1, 2018. In May 2017, the Department of Taxation approved regulations for implementing the ballot initiative early allowing recreational sales to begin on July 1, 2017.

The 2017 State Legislature made several changes to the medical marijuana program. As of July 1, 2017, the medical marijuana establishment program is administered by the Department of Taxation, while the Division of Public and Behavioral Health maintains administration of the medical marijuana patient cardholder registry. The 2017 State Legislature changed the tax structure for medical marijuana from a 2% excise tax on each type of sale (cultivation, production, and dispensary) to a 15% excise tax on the wholesale value, paid by the cultivator which prevents the need for marijuana establishments to have separate inventories for medical and adult-use recreational marijuana.

Revenue from the 15% wholesale excise tax is allocated to the Department of Taxation and local governments to cover costs related to the program, with any remaining revenue allocated to the State Distributive School Account. If the marijuana is sold to an adult-use recreational customer, an additional 10% retail excise tax is levied which does not apply if the sale is to a medical marijuana cardholder.

The 2019 Legislature directed the revenue collected from the 10% excise retail tax on cannabis, which was directed to the Stabilization Account, to be deposited in the State Distributive School Account beginning fiscal year 2020.

Recent and Current State Budgets

Certain information regarding actual State general fund revenues (and projected revenues) is set forth below. This table shows actual revenues for fiscal years 2018 through 2022, and the revenue forecast for fiscal year 2023 and 2024 based on the Economic Forum Forecast. These estimates and projections are based on various assumptions and must not be construed as statements of fact. The assumptions may be affected by numerous factors, including future economic conditions in the State and the nation, and there can be no assurance that the estimates will be achieved. Periodic reports on certain revenues during the fiscal year are issued by the Department of Taxation and the Gaming Control Board.

State General Fund Revenues
(in thousands)

Fiscal Year Ended June 30	Actual 2018	2019	2020	2021	2022	Economic Forum Forecast[1] 2023	2024
General Fund Revenue Sources							
Sales Tax	$1,189,227	$1,284,696	$1,263,939	$1,380,573	$1,679,872	$1,801,805	$1,919,869
Gaming Taxes	785,515	801,951	645,453	713,927	1,005,931	963,215	941,857
Modified Business Tax	655,635	697,410	704,744	641,455	815,466	866,522	771,098
Insurance Taxes	395,700	424,088	452,361	492,970	542,756	571,941	605,198
Live Entertainment Tax	125,409	131,256	91,336	11,080	139,156	187,634	196,048
Mining Taxes and Fees	63,522	50,354	57,159	177,619	108,189	148,794	0
Cigarette Tax	160,665	164,393	156,695	152,702	144,069	140,134	137,900
Real Property Transfer Tax	103,390	101,045	100,267	133,908	177,691	122,572	120,000
Liquor Tax	44,195	44,791	42,313	43,549	50,393	50,378	50,247
Business License Fees	109,298	110,337	103,063	113,217	119,544	120,278	120,370
Commerce Tax	201,927	228,770	204,984	221,958	281,882	301,860	321,558
Transportation Connection Carrier Tax	21,773	30,217	19,869	17,141	28,464	37,529	34,193
Other Taxes	67,728	--	--	--	86,200	--	--
OTHER REVENUE[3]	265,941	273,304	267,639	287,875	69,522	70,401	71,087
TOTAL[4]	$4,189,925	$4,407,614	$4,169,703	$4,241,448	$5,162,875	$5,382,903	$5,289,425

(1) May 4, 2021, Economic Forum Forecast, Legislative Adjusted.
(2) Includes liquor tax, business license tax and other taxes.
(3) Includes licenses, fees and fines and interest earnings.
(4) Numbers may not total due to rounding.

Source: State Department of Administration.

The following table reflects General Fund appropriations and estimates of appropriations for the fiscal years shown.

State General Fund Appropriations
(in thousands)

	Actual Appropriations				2019 Legislatively Approved Appropriations[(1)]	2021 Legislatively Approved Appropriations[(2)]	
Fiscal Year Ended June 30	2017	2018	2019	2020	2021	2022	2023
Constitutional Agencies	$161,621	$180,111	$189,515	$174,800	$154,208	$147,765	$164,135
Finance & Administration	41,910	38,224	38,281	43,427	41,329	44,166	44,545
Education	2,024,681	2,109,715	2,057,713	2,363,459	1,943,440	2,354,558	2,189,810
Human Services	1,135,381	1,225,962	1,288,196	1,367,300	1,369,442	1,591,844	1,750,505
Commerce & Industry	53,832	59,099	58,660	59,052	46,992	55,561	54,443
Public Safety	323,002	352,486	364,261	381,494	376,136	380,255	389,474
Infrastructure	37,699	40,122	38,454	42,764	39,485	41,008	41,052
Special Purpose Agencies	5,881	10,972	15,407	11,583	10,348	18,003	18,296
TOTAL[(2)]	$3,784,009	$4,016,690	$4,050,487	$4,443,882	$3,981,379	$4,633,160	$4,652,261

(1) Legislature-approved appropriations, including supplemental appropriations approved by the Legislature. Subject to revision.
(2) Totals may not add due to rounding.

Source: Nevada Legislative Appropriations Report, November 2015, November 2017, November 2019, November 2021 and Governor's Finance Office.

The following table sets forth the State General Fund Unappropriated Balances for fiscal years 2017-2021.

State General Fund Unappropriated Balances[1]
(in thousands)

Fiscal Year Ending June 30	2017	2018	2019	2020	2021
General Fund Resources:					
Unappropriated General Fund Balance - July 1	$ 418,535	$ 434,085	$ 424,842	$ 352,865	$ 574,454
Unrestricted General Fund Reversions	156,641	73,633	125,764	89,192	315,312
Unrestricted General Fund Revenue					
General Fund Revenue	3,996,145	4,189,925	4,407,614	4,169,713	4,529,323
Transfer from Fund to Stabilize the Operation of State Government	25,000	5,000	0	401,186	0
Transfers and Reversions from Various Accounts	0	13,954	7,647	190,026	344,949
Tax Credit Programs	(115,639)	(171,213)	(120,109)	(92,466)	(54,998)
Total Unrestricted General Fund Revenue [2]	$3,905,506	$4,037,666	$4,295,151	$4,668,459	$4,819,274
Restricted General Fund Revenue					
Unclaimed Property - Millennium Scholarship	7,600	7,600	7,600	7,600	7,600
Quarterly Slot Tax - Problem Gambling	1,333	1,319	1,310	0	0
Live Entertainment Tax – Nevada Arts Council	150	150	150	150	150
Total Restricted General Fund Revenue	9,083	9,069	9,060	7,750	7,750
General Fund Resources	$4,489,765	$4,554,453	$4,854,817	$5,118,267	$5,716,789
Appropriations / Transfers					
Unrestricted Appropriations / Transfers					
Operating Appropriations	($3,738,711)	($3,936,673)	($4,058,313)	($4,368,809)	($3,988,955)
Supplemental Operating Appropriations	(82,652)	0	(33,189)	0	(272,252)
Operating Appropriations Transfers Between fiscal year 16 & 17	16,705	0	0	0	0
Operating Appropriations Transfers Between fiscal year 18 & 19	0	(38,020)	38,020	0	0
Operating Appropriations Transfers Between fiscal year 20 & 21	0	0	0	(59,358)	59,358
					0
One-Time Appropriations	(157,776)	(43,850)	($309,556)	0	(310,546)
Restoration of Fund Balances	(9,500)	0	(38,002)	(38,797)	(32,297)
General Fund Payback - Line of Credit	0	0	0	0	0
Cost of Regular and Special Sessions of Legislatures	(18,000)	0	(18,000)	0	
Total Unrestricted Appropriations / Transfers	($3,989,935)	($4,018,029)	($4,419,038)	($4,466,965)	$4,569,779
Millennium Scholarship	(7,600)	(7,600)	(7,600)	(7,600)	(7,600)
Problem Gambling	(1,333)	(1,319)	(1,310)	0	0
Nevada Arts Council	(150)	(150)	(150)	(150)	(150)
Disaster Relief Account	(1,000)	(2,000)	(2,000)	(1,500)	(1,000)
Fund to Stabilize the Operation of the State Government	(63,936)	(103,473)	(96,612)	(69,491)	(97,545)
Total Restricted Transfers	($ 74,019)	($ 114,541)	($ 107,672))	($ 78,741)	($ 106,295)
Adjustments to Fund Balance	$ 8,274	$ 2,960	$ 24,759	$ 1,892	$53
Total Appropriations / Transfers	($4,055,680)	($4,129,611)	($4,501,952)	($4,543,814)	($4,676,021)
Unappropriated General Fund Balance June 30 [2]	$ 434,085	$ 424,842	$ 352,865	$ 574,453	$ 1,040,768
5% Minimum Ending Fund Balance	$ 198,117	$ 198,715	$ 202,247	$ 221,408	$ 210,092
Difference	$ 235,968	$ 226,127	$ 150,618	$ 353,045	$ 830,676

(1) Totals may not add due to rounding.
(2) Unaudited results, subject to revision.

Source: Nevada Legislative Appropriations Report, November 2015, November 2017, November 2019, November 2021 and Governor’s Finance Office.

Population and Age Distribution

Historical state population figures, by county, are shown in the following table. According to Nevada State Department of Taxation population data, the State's population increased approximately 17.0% between the years 2010 and 2021.

Nevada Population by County

	1990	2000	2010	2020	2021
Carson City	40,443	52,457	55,274	56,434	57,073
Churchill	17,938	23,982	24,877	26,202	26,310
Clark	741,459	1,375,765	1,951,269	2,320,107	2,320,551
Douglas	27,637	41,259	46,997	49,082	49,661
Elko	33,530	45,291	48,818	55,435	55,546
Esmeralda	1,344	971	783	999	1,000
Eureka	1,547	1,651	1,987	1,936	1,898
Humboldt	12,844	16,106	16,528	17,064	17,202
Lander	6,266	5,794	5,775	6,324	6,195
Lincoln	3,775	4,165	5,345	5,293	5,188
Lyon	20,001	34,501	51,980	57,629	58,051
Mineral	6,475	5,071	4,772	4,896	4,826
Nye	17,781	32,485	43,946	48,414	49,289
Pershing	4,336	6,693	6,753	6,983	6,984
Storey	2,526	3,399	4,010	4,304	4,359
Washoe	254,667	339,486	421,407	473,606	485,113
White Pine	9,264	9,181	10,030	10,477	10,293
TOTAL	1,201,833	1,998,257	2,700,551	3,145,185	3,158,539

Source: 2000, 2010, and 2020: U.S. Bureau of the Census Decennial Census, counts as of April 1; 2018-2021: Nevada State Demographer; 2021 Governor's certified series, estimates as of July 1.

The following table sets forth a projected comparative age distribution profile for Clark County, Washoe County, the State and the United States as of January 1, 2021.

Age Distribution Projections

	Percent of Population			
Age	Clark County	Washoe County	State	United States
14 and under	18.8%	17.5%	18.3%	18.2%
15-24	12.1	12.3	11.9	13.0
25-35	14.6	15.0	14.4	13.6
35-54	27.1	25.1	26.4	25.4
55 and older	27.5	30.1	30.0	29.7

Source: U.S. Census Bureau, 2021 American Community Survey 1-Year Estimates. Table S0101.

Income

The following table sets forth annual per capita personal income levels of the Las Vegas-Henderson-Paradise MSA (which consists of Clark County), the Reno MSA (which consists of Washoe County and Storey County), the State and the United States. Quarterly per capita personal income is available for the State and the nation for the first quarter of 2022:

Per Capita Personal Income Groups

Year	Las Vegas-Paradise MSA	Reno-Sparks MSA	State	United States
2017	$45,444	$56,415	$47,519	$51,811
2018	47,184	61,005	49,724	54,098
2019	49,225	62,954	51,795	56,047
2020	51,244	66,075	53,008	59,161
2021	--(1)	--(1)	58,219	63,492
2022	--(1)	--(1)	58,451(2)	63,884(2)

(1) Not yet available.
(2) Preliminary quarterly per capita personal income for the first quarter of 2022.

Source: U.S. Department of Commerce, Bureau of Economic Analysis SQINCI. U.S. per capita personal income, including transfer payments.

The following two tables reflect Median Household Effective Buying Income ("EBI"), and also the percentage of households by EBI groups. EBI is defined as "money income" (defined as follows) less personal tax and nontax payments. "Money income" is defined as the aggregate of wages and salaries, net farm and nonfarm self-employment income, interest, dividends, net rental and royalty income, Social Security and railroad retirement income, other retirement and disability income, public assistance income, unemployment compensation, Veterans Administration payments, alimony and child support, military family allotments, net winnings from gambling, and other periodic income. Deductions are made for personal income taxes (federal, state and local), personal contributions to social insurance (Social Security and federal retirement payroll deductions), and taxes on owner-occupied nonbusiness real estate. The resulting figure is known as "disposable" or "after-tax" income.

Median Household Effective Buying Income Estimates(1)

Year	Clark County	Washoe County	State of Nevada	United States
2016	$54,384	$58,175	$55,180	$57,617
2017	57,189	61,498	58,003	60,336
2018	57,076	63,310	58,646	61,937
2019	62,107	71,881	63,276	65,712
2021	61,048	76,220	66,274	69,717

Source: U.S. Census Bureau, American Community Survey 1-Year Estimates. Table B19013. Data in inflation – adjusted 2021 dollars. 2020 only available as experimental estimates.

Percent of Households by Effective Buying Income Groups – 2021 Estimates(1)

Effective Buying Income Group	Clark County Households	Washoe County Households	State of Nevada Households	United States Households
Under $25,000	18.6%	13.9%	17.7%	17.4%
$25,000 - $49,999	21.2	18.5	20.3	19.1
$50,000 - $99,999	30.9	30.2	31.0	29.6
$100,000 and over	29.4	37.4	30.8	34.0

Source: U.S. Census Bureau, 2021 American Community Survey 1-Year Estimates. S1901.

Employment

The following tables set forth labor force and employment data for the State.

Average Annual Labor Force Summary(1)

Calendar Year	2018	2019	2020	2021	2022 YTD(4)
Total Labor Force	1,492,686	1,541,297	1,502,977	1,504,809	1,513,852
Unemployment	65,437	61,385	203,851	109,352	72,250
Unemployment Rate(2)	4.4%	4.0%	13.6%	7.3%	4.8%
Total Employment(3)	1,427,249	1,479,912	1,299,126	1,395,456	1,513,852

(1) Subject to revision as additional information becomes available, seasonally adjusted data provided.
(2) According to the U.S. Department of Labor, Bureau of Labor Statistics, the U.S. average unemployment rates for the years 2018 through 2021 were 3.9%, 3.7%, 8.1%, and 5.3%, respectively.
(3) Adjusted by census relationships to reflect number of persons by place of residence.
(4) Through September 2022.

Sources: State of Nevada – Department of Employment, Training and Rehabilitation.

Industrial Employment(1)
State of Nevada
(Estimates in Thousands)

Industry Classification(2)	2018	2019	2020(3)	2021(3)	2022 YTD(4)
Mining and Logging	14.6	14.7	15.0	14.9	14.7
Construction	89.4	96.2	94.2	96.9	101.0
Manufacturing	55.5	59.2	56.2	60.7	65.2
Trade (wholesale and retail)	185.0	187.2	177.0	187.1	191.6
Transportation, Warehousing and Utilities	70.4	75.0	78.6	88.9	97.2
Information	15.7	15.7	13.5	15.0	15.6
Financial Activities	67.5	68.9	67.0	70.1	73.4
Professional and Business Services	189.9	196.9	180.7	190.1	203.3
Education and Health Services	139.7	144.8	142.2	149.5	153.9
Leisure and Hospitality (casinos excluded)	169.3	174.4	135.9	159.9	179.3
Casino Hotels and Gaming	183.5	181.6	121.9	134.5	150.1
Other Services	41.6	41.8	37.2	39.2	38.9
Government	161.8	165.3	159.2	159.1	160.3
Total Industries	1,383.8	1,421.9	1,278.7	1,365.9	1,444.5

Footnotes on the following page:

(1) Based on non-seasonally adjusted CES information as of September 2022. Subject to revision as additional information becomes available. Totals may not add due to rounding.
(2) Reflects employment by place of work. Does not necessarily coincide with labor force concept. Includes multiple jobholders.
(3) For 2020 and 2021, there is higher-than usual volatility in this data due to national methodological changes to try to incorporate in nearer-real-time the impacts of COVID-19.
(4) As of September 2022.

Source: State of Nevada – Department of Employment, Training and Rehabilitation.

Sales and Use Tax

The sales and use tax rates in effect within the State include a 2.00% State general fund sales and use tax, a 2.60% local school support tax, and a 2.25% city-county relief tax levied in each county of the State. In addition, if approved by county voters, additional sales and use taxes may be authorized for transportation, tourism, flood control and infrastructure purposes. The Legislature also authorizes sales and use taxes to be levied pursuant to special acts from time to time. The sales and use tax rates in effect within the State range from 6.850% to 8.375%.

Taxable Sales[1]
State of Nevada

Fiscal Year Ended June 30	State Total	Percent Change
2018	$58,947,823,520	4.24%
2019	62,561,025,875	6.13
2020	61,365,683,690	(1.91)
2021	67,704,797,544	10.33
2022	81,787,630,231	20.80
FY 21 (August 2021)	$12,815,559,142	--
FY 22 (August 2022)	13,955,488,230	8.89%

(1) Subject to revision.

Source: State of Nevada – Department of Taxation.

Gaming and Tourism

Gaming. The economy of the State is largely dependent upon a tourist industry based on legalized casino gambling and related forms of entertainment. Gaming has been legal in Nevada since 1931 and is controlled and regulated by the State. Control is vested in a five-member Gaming Commission and a three-member Gaming Control Board. All of the board and commission members are appointed by the Governor. These bodies investigate and approve all licenses, establish operating rules, and collect gaming taxes due the State. The following table sets forth a five-year history of gross taxable gaming revenues and total gaming taxes collected on a State-wide basis.

Gross Taxable Gaming Revenues and Total Gaming Taxes[1]

Fiscal Year Ended June 30	Gross Taxable Gaming Revenue[2] State Total	Percent Change	State Gaming Collection[3] State Total	Percent Change
2018	$11,330,597,948	3.34	$866,305,681	-0.97
2019	11,358,701,958	0.25	919,517,387	6.14
2020	9,150,732,262	-19.44	617,451,077	-32.85
2021	10,351,014,693	13.12	885,683,152[4]	43.44[4]
2022	14,145,159,134	36.65	1,161,473,525[5]	31.14[5]
July 21 – Sep. 2021	3,534,206,749	--	289,491,347	--
July 22 – Sep. 2022	3,686,377,343	4.31	276,829,652 [6]	-4.37[6]

(1) The figures shown are subject to adjustments due to amended tax filings, fines and penalties.
(2) The total of all sums received as winnings less only the total of all sums paid out as losses (before operating expenses).
(3) Based upon the taxable revenues generated in the previous month. Cash receipts of the State from all sources relating to gaming (General Fund and other revenues) including percentage license fees, quarterly flat license fees, annual license fees, casino entertainment taxes, annual slot machine taxes, penalties, advance fees, and miscellaneous collections. A portion of collections is deposited to State funds other than the State's General Fund.
(4) Includes approximately $118.0 million in unused tax credits that were collected in FY 2020 and transferred to FY 2021 at fiscal year-end.
(5) Includes approximately $1.6 million in unused tax credits that were collected in FY 2021 and transferred to FY 2022 at fiscal year-end.
(6) Includes approximately $6.2 million in unused tax credits that were collected in FY 2022 and transferred to FY 2023 at fiscal year-end.

Source: State of Nevada, Gaming Control Board.

Gaming Competition. Different forms of legalized gaming have been authorized by many states, as well as the tribal casinos, across the United States. Other states may authorize gaming in the future in one form or another. The different forms of gaming include casino gaming, racetrack or riverboat gambling, internet gaming and lotteries. Historically, the availability of these forms of gaming in other states has not had a significant impact on gaming in the State. Nonetheless, the Commission cannot predict the impact of legalization of gaming in other states or other countries on the future economy of the State.

Tourism. In addition to gaming-related tourism, the State has large resort areas, with nearby skiing as well as sunbathing, near Lake Tahoe, Reno, Las Vegas, and elsewhere. Ghost towns, rodeos, trout fishing, water skiing, and deer hunting are other attractions located throughout the State.

Federal Activities

Operations and facilities of the Federal Government in the State have been significant, beginning with Hoover Dam in the 1930's, an Army Air Force gunnery school (later Nellis AFB) during World War II, and the subsequent creation of the Nevada Test Site. The Federal Government currently owns or manages approximately 85% of the land in the State.

Hoover Dam. Hoover Dam, operated by the federal Bureau of Reclamation, is a multiple-purpose development. The dam controls floods and stores water for irrigation, municipal and industrial uses, hydroelectric power generation, and recreation. Hoover Dam is still one of the world's largest hydroelectric installations with a capacity of more than 2,000 megawatts. Hoover Dam also is a major tourist attraction in Clark County.

Nellis Air Force Base. Nellis Air Force Base, a part of the U.S. Air Force Air Combat Command, is located adjacent to the City of Las Vegas. The base itself covers more than 14,000 acres of land, while the total land area occupied by Nellis Air Force Base and its ranges is over three million acres. The base hosts numerous military programs as well as civilian workers. It is the home base of the "Thunderbirds," the world-famous air demonstration squadron.

Nevada National Security Site. The Nevada National Security Site ("NNSS"), previously the Nevada Test Site, was established in 1950 as the nation's proving ground for nuclear weapons testing. In recent years, under the direction of the Department of Energy's Nevada Operations Office, NNSS use has diversified into many other areas such as hazardous chemical spill testing, emergency response training, conventional weapons testing, and waste management projects that can best be conducted in this remote desert area. The NNSS has been designated as an Environmental Research Park where scientists and students can conduct research on environmental issues. Located 65 miles northeast of Las Vegas, the NNSS is a massive outdoor laboratory and national experimental center. NNSS comprises 1,350 square miles, surrounded by thousands of additional acres of land withdrawn from the public domain for use as a protected wildlife range and for a military gunnery range, creating an unpopulated area of some 5,470 square miles. Federal employees and independent contractors are employed at NNSS.

Others. Other federal government agencies adding to the State economy are the National Park Service (Lake Mead National Recreation Area and the Great Basin National Park in Ely), a Naval Air Station (which includes the Navy Fighter Weapons School ("TOPGUN")) located at Fallon, Nevada, and Hawthorne Army Depot which stores conventional munitions and ensures munitions readiness.

Mining

Nevada's mining industry production consists of metals, industrial minerals, oil and gas, and geothermal energy. The total value of Nevada mineral production (excluding oil, gas and geothermal) reached $9.7 billion in 2021. Gold is the primary source of mining revenue in the State which reached $8.1 billion in 2021. Nevada leads the nation in gold production and has one of the two operating lithium mines in the U.S.

Transportation

Reno and Las Vegas, the State's two major population centers, are approximately 400 miles apart. Both cities have airports designated as international ports of entry. Two major railroads cross Nevada while short lines serve as feeders. There are nine federal highways in Nevada, two of which are part of the interstate system. Interstate 15, connecting Salt Lake City and San Diego, passes through Las Vegas and provides convenient access to the Los Angeles area. Interstate 80 connects Salt Lake City with the San Francisco Bay area and passes through the Reno-Sparks area. U.S. Highway 95 and 93 are major routes north from Las Vegas, through Reno and Ely, Nevada, respectively. South of Las Vegas, U.S. 95 extends to the Mexican border, generally following the Colorado River, and U.S. 93 crosses Hoover Dam into Arizona.

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

The following is a brief summary of certain provisions of the Bond Resolution and is qualified in its entirety by the provisions of the Bond Resolution itself. Copies of the Bond Resolution are available from the sources listed in "INTRODUCTION – Additional Information."

Definitions

As used in the Bond Resolution, the following terms shall, for all purposes, have the following meanings unless the context clearly requires otherwise.

"Board" means the Board of Regents of the Nevada System of Higher Education.

"Bond Act" or "Universities Securities Law" means the supplemental act pertaining to the issuance of the Bonds herein authorized, cited as Sections 396.809 through 396.885 NRS, inclusive, and all laws amendatory thereof.

"Bond Fund" means the special and separate account designated as the "Nevada System of Higher Education, Universities Revenue Bonds, Interest and Bond Retirement Fund."

"Bond Requirements" means the principal of, any prior redemption premiums due in connection with, and the interest on the Bonds, and any additional bonds and securities payable from Pledged Revenues and heretofore or hereafter issued or any designated portion thereof, as such become due.

"Bond Year" means the 12 months commencing on July 2 of any calendar year and ending on July 1 of the next succeeding calendar year.

"Bonds" or the "2023 Bonds" means the Nevada System of Higher Education, Universities Revenue Refunding Bonds, Series 2023.

"Chief Financial Officer" means the de jure or de facto financial officer of the System bearing that title, or such officer's successor in functions, including the Chief Financial Officer or any appointed interim or acting chief financial officer.

"Comparable Bond Year" means the Bond Year which commences one day after the commencement of the Fiscal Year with which the Bond Year is associated.

"Costs of Issuance Account" means a separate account created in the Bond Resolution and to be known as the "Nevada System of Higher Education, Universities Revenue Refunding Bonds, Series 2023, Costs of Issuance Account."

"Cost of the Project" means all or any part of the Project designated by the Board, or an interest in the Improvements, which at the option of the Board (except as limited by law), may include all or any part of the incidental costs pertaining to the Project, including, without limitation:

(i) preliminary expenses advanced by the Issuer from any source, including any interfund loan of the Issuer, or advanced with the approval of the Issuer by the State, the federal government, or by any other Person, or any combination thereof;

(ii) the costs of the making of surveys, audits, preliminary plans, other plans, specifications, estimates or costs and other preliminaries;

(iii) the costs of premiums on builder's risk insurance and performance bonds, or a reasonably allocable share thereof;

(iv) the costs of appraising, printing, bond insurance premiums, estimates, advice, services of engineers, architects, financial consultants, attorneys at law, clerical help or other agents or employees;

(v) the costs of making, publishing, posting, mailing and otherwise giving any notice in connection with the Project, the filing or recordation of instruments, the taking of options, the issuance of the Bonds and other securities, and bank fees and other expenses;

(vi) the costs of contingencies;

(vii) the costs of the capitalization with proceeds of the Bonds of any operation and maintenance expenses and of any interest on the Bonds for any period not exceeding the period estimated by the Board to effect the Project plus one year, of any discount on the Bonds, of any replacement expenses (except as prescribed by law), and of any other costs of issuance of the Bonds; and

(viii) the costs of funding any short-term financing, construction loans and other temporary loans of not exceeding five years appertaining to the Project and of the incidental expenses incurred in connection with such loans; and

all other expenses necessary or desirable and pertaining to the Project as estimated or otherwise ascertained by the Board including payments of rebate on investment earnings on the Costs of Issuance Account.

"Escrow Account" means a special and separate account, created and established in the Bond Resolution, which account shall be under the control of the Chief Financial Officer, to be known as the "Nevada System of Higher Education, Universities Revenue Refunding Bonds, Series 2023, Escrow Account."

"Escrow Agent" means U.S. Bank Trust Company, National Association, or any successor escrow agent.

"Escrow Agreement" means the contract designated as the "Nevada System of Higher Education, Universities Revenue Refunding Bonds, Series 2023, Escrow Agreement" between the System and the Escrow Agent.

"Facilities" means all student housing, dining and parking facilities, whether or not presently existing, owned by University of Nevada, Las Vegas or by the System on behalf of

University of Nevada, Las Vegas situated on the campus of UNLV, and all student housing, dining and parking facilities, whether or not presently existing, owned by University of Nevada, Reno or by the System on behalf of the University of Nevada, Reno, situated on the campus of UNR, and other income-producing buildings, structures, improvements and other appurtenances relating thereto, if any, located at or pertaining to any of the Universities, and to which the Net Pledged Revenues pertain by an extension hereafter thereto of the lien and pledge herein provided.

"Federal Securities" means bills, certificates of indebtedness, notes, bonds, or similar securities which are direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America.

"Fiscal Year" means the 12 months commencing on July 1 of any calendar year and ending on June 30 of the next succeeding calendar year.

"Gross Revenues" or "Gross Pledged Revenues" means all the Pledged Revenues.

"Issuer" means the Nevada System of Higher Education, the state university constituting a body corporate and politic, and a political subdivision of the State.

"Net Pledged Revenues" or "Net Revenues" means now all the Pledged Revenues and is synonymous with Gross Revenues and Gross Pledged Revenues; but in the case of any future extension of the pledge and lien provided in the Bond Resolution to secure the payment of the Bonds and any other securities payable from Pledged Revenues, to any revenues (other than the Student Fees, UNLV Facilities Revenues, UNR Facilities Revenues and other than any grants from the federal government, the State, or other donor for the payment of Bond Requirements) from any other income-producing Facilities of the Issuer or the Board or other available source, the term "Net Pledged Revenues" or "Net Revenues" may then include the gross revenues of such Facilities remaining after provision is made for the payment of the operation and maintenance expenses of such Facilities from the income of such other income-producing Facilities.

"Operation and maintenance expenses" means all reasonable and necessary current expenses of the Issuer or the Board, or both, as the case may be, paid or accrued, of operating, maintaining and repairing any Facilities pertaining to Pledged Revenues, and may at the Board's option include, without limitation:

(a) Legal and overhead expenses of the various departments directly related and reasonably allocated to the administration of the Facilities;

(b) Fidelity bond and insurance premiums pertaining to the Facilities, or a reasonably allocable share of a premium of any blanket bond or policy pertaining to such Facilities;

(c) The reasonable charges of any paying agent, or commercial bank, trust bank, or other depository bank pertaining to any securities issued by the Issuer or by the Board and pertaining to any such Facilities;

(d) Contractual services, professional services, salaries, administrative expenses, and costs of labor pertaining to the Facilities;

(e) The costs incurred by the Board in the collection of all or any part of the Pledged Revenues, including, without limitation, revenues pertaining to any such Facilities;

(f) Any costs of utility services furnished to the Facilities by the Issuer or otherwise; and

(g) Reasonable allowances for the depreciation of furniture and equipment for the Facilities; but

(i) excluding any allowance for depreciation, except as otherwise provided in subparagraph (g) of this paragraph;

(ii) excluding any costs of reconstruction, improvements, extensions, or betterments;

(iii) excluding any accumulation of reserves for capital replacements;

(iv) excluding any reserves for operation, maintenance, or repair of any Facilities;

(v) excluding any allowance for the redemption of any bond or other security evidencing a loan or other obligation or the payment of any interest thereon;

(vi) excluding any liabilities incurred in the acquisition or improvement of any properties comprising any project or any existing Facilities, or any combination thereof; and

(vii) excluding any other ground of legal liability not based on contract.

With respect to the UNLV Facilities Revenues and the UNR Facilities Revenues, operation and maintenance expenses of the special event facilities, housing, dining and parking facilities will exclude salaries pertaining to and the costs of utility services furnished to such facilities.

"Outstanding" means all the Bonds or any such other securities payable from Pledged Revenues or otherwise pertaining to the Universities, as the case may be, theretofore and thereupon being executed and delivered:

(a) except any Bond or other security canceled by the Issuer, or on the Issuer's behalf, at or before such date;

(b) except any Bond or other security for the payment or the redemption of which monies and Federal Securities (including the known minimum yield from such Federal Securities) at least sufficient to pay when due its Bond Requirements to the date of its maturity or any Redemption Date, whichever date is earlier, if any, shall have theretofore been deposited with a trust bank in escrow or in trust for that purpose; and

(c) except any Bond or other security in lieu of or in substitution for which another Bond or other security shall have been executed and delivered.

Any Bonds held by the Issuer shall not be deemed to be Outstanding for any purpose.

"Parity Lien Bonds" means the Outstanding 2013A Bonds, 2013B Bonds, 2014 Bonds, 2015A Bonds, 2015B Bonds, 2016A Bonds, 2016B Bonds, 2017A Bonds, 2019A Bonds, 2021 Bonds, 2022 Bonds and the Bonds and any additional bonds or securities hereafter issued payable from Pledged Revenues on a parity with the 2013A Bonds, the 2013B Bonds, 2014 Bonds, 2015A Bonds, 2015B Bonds, 2016A Bonds, 2016B Bonds, 2017A Bonds, 2019A Bonds, 2021 Bonds, 2022 Bonds and the Bonds.

"Paying Agent" means U.S. Bank Trust Company National Association, designated in the Bond Resolution by the Issuer as the paying agent and registrar for the Bonds, and any successor named pursuant to Section 908 of the Bond Resolution.

"Permitted Investments" means any investment permitted for bond proceeds by the laws of the State.

"Pledged Revenues" means the Student Fees, the UNR Facilities Revenues and UNLV Facilities Revenues, and all grants, if any, conditional or unconditional, from the federal government, the State, or other donor for the payment of any Bond Requirements, or Net Revenues, if any, to be derived from the operation of any income-producing Facilities of the Issuer or the Board or from other available sources and to which the pledge and lien provided in the Bond Resolution hereafter are extended; and "Pledged Revenues" indicates a source or sources of revenues and does not necessarily indicate all or any portion of such revenues in the absence of further qualification.

"Project" means cost of refunding of certain outstanding obligations designated in the Certificate of the Chief Financial Officer, including paying the costs of issuance of the Bonds.

"Project Act" means Chapter 501, Statutes of Nevada 1991, as amended by Chapter 93, Statutes of Nevada 1995, as amended by Chapter 519, Statutes of Nevada 1999, as further amended by SB 584, Statutes of Nevada 2001, as further amended by SB 413, Statutes of Nevada 2003, as further amended by chapter 297, Statutes of Nevada 2005, as further amended by SB 455, Statutes of Nevada 2007, as further amended by chapter 307, Statutes of Nevada 2009, as further amended by chapter 179, Statutes of Nevada 2011.

"Rebate Fund" means the special and separate account designated as the "Nevada System of Higher Education, Universities Revenue Bonds, Rebate Fund", formerly the "University and Community College System of Nevada, Subordinate Lien Universities Revenue Bonds, Rebate Fund" and formerly the "University of Nevada System, Universities Revenue Bonds, Series July 1, 1989, Rebate Fund."

"Redemption Date" means the date fixed by the Issuer for the redemption of any Bonds or other designated securities payable from Pledged Revenues prior to their respective maturities.

"Revenue Fund" means the special and separate account designated as the "Nevada System of Higher Education, Universities Student Fees and Other Pledged Revenues Gross Revenue Fund", formerly the "University and Community College System of Nevada, Universities Student Fees and Other Pledged Revenues Gross Revenue Fund".

"Student Fees" means the gross fees from students attending either of the existing Universities for the regular academic year of two semesters (but excluding any summer school student), which fees are commonly designated as the Capital Improvement Fee, the Student Union Capital Improvement Fee, the General Fund Fee and the General Improvement Fee, and if hereafter authorized by law, all additional student fees, if any, to which the pledge and lien provided in the Bond Resolution for the payment of securities authorized by the Project Act and the Bond Act are extended.

"Subordinate bonds," "subordinate securities" or "Subordinate Lien Bonds" means any bonds or securities hereafter issued and payable from Pledged Revenues and having a lien thereon subordinate and junior to the lien thereon of the Parity Lien Bonds.

"Tax Code" means the federal Internal Revenue Code of 1986, as amended, as in effect on the date of delivery of the Bonds, and all applicable regulations thereunder.

"Universities" means collectively the University of Nevada, Las Vegas, the campus of which is situated in the environs of the City of Las Vegas, and the University of Nevada, Reno, the campus of which is situated in the City of Reno, Nevada. "Universities" includes all additional Universities constructed and otherwise acquired hereafter by the Issuer, if any.

"UNLV Facilities Revenues" means gross revenues derived from or otherwise pertaining to the operation of certain special event facilities located on the University of Nevada, Las Vegas campus and known as the Thomas and Mack Center, the Cox Pavilion and the Sam Boyd Stadium and the operation of all University of Nevada, Las Vegas student housing, University of Nevada, Las Vegas dining facilities and University of Nevada, Las Vegas parking facilities, whether or not presently existing, after the deduction of the operation and maintenance expenses of such special event facilities and such housing, dining and parking facilities (other than salaries and the costs of utility services).

"UNR Facilities Revenues" means gross revenues derived from or otherwise pertaining to the operation of all University of Nevada, Reno student housing, University of Nevada, Reno dining and University of Nevada, Reno parking facilities, whether or not presently existing, after the deduction of the operation and maintenance expenses of such housing, dining and parking facilities (other than salaries and costs of utility services).

Disposition of Bond Proceeds

Net proceeds from the sale of the Bonds will be deposited in the Escrow Account and the Costs of Issuance Account and used to pay costs of the Project as provided below. First, there shall be credited to the Escrow Account, an amount sufficient, together with any other monies available therefor, to establish any initial cash balance remaining uninvested and to buy the Federal Securities, if any, designated in the Escrow Agreement for purchase by the Issuer and credit to the Escrow Account with the Escrow Agent, for the payment of the bonds to be refunded pursuant to the Escrow Agreement. The Escrow Agent shall segregate the proceeds of the 2023 Bonds credited to the Escrow Account. Secondly, the balance of the proceeds derived from the sale of the Bonds, except as herein otherwise expressly provided, shall be credited to the Costs of Issuance Account, all moneys remaining from the proceeds of the Bonds after the credits to the Escrow Account provided for in Section 401(A) of the Bond Resolution, to be used to pay the Cost of the Project and the incidental Cost of the Project, including, without limitation, costs of issuance of the 2023 Bonds. See "SOURCES AND USES OF FUNDS." Any moneys remaining after the payment of all such Costs shall be transferred to the Bond Fund to be applied to the payment of interest on the 2023 Bonds as the same becomes due.

Flow of Funds

So long as any Bonds shall be Outstanding, the entire Gross Revenues derived from the Student Fees, the UNR Facilities Revenues, the UNLV Facilities Revenues and any other Pledged Revenues, shall be set aside and credited immediately to the Revenue Fund.

Under the Bond Resolution, the Revenue Fund will be administered and the moneys on deposit therein will be applied in the following manner and order:

(a) First, there will be credited to the bond funds for the Parity Lien Bonds and any bonds hereafter issued on a parity therewith (i) semi-annually, on each interest payment date, the amount necessary to pay the next maturing installment of interest on the Parity Lien Bonds and any bonds hereafter issued on a parity therewith, and (ii) semi-annually, on each interest payment date, one-half of the amount necessary to pay the next maturing installment of principal of the Parity Lien Bonds and any bonds hereafter issued on a parity therewith, except to the extent any other moneys are available.

(b) Second, the Issuer shall deposit Net Pledged Revenues into the rebate funds for the Parity Lien Bonds and any bonds hereafter issued on a parity therewith, as required under Section 148 of the Tax Code, as required by the bond resolutions for the Parity Lien Bonds and any bonds hereafter issued on a parity therewith.

(c) Third, any monies remaining in the Revenue Fund may be used by the Issuer for payment of the bond requirements of any Subordinate Lien Bonds, including reasonable reserves for such securities, as the same accrue.

(d) After the payments required in subsections (a) through (c) described above have been made, on January 2 or July 2 of each year or whenever in the Bond Year all payments required to be made have been made, any remaining Net Pledged Revenues in the Revenue Fund may be used for any lawful purpose, as the Board may from time to time determine.

No payment need be made into the Bond Fund if the amount in such fund is at least equal to the entire amount of the Outstanding Parity Lien Bonds to their respective maturities or designated redemption dates.

If at any time the Issuer shall for any reason fail to pay into the Bond Fund the full amount above stipulated, then an amount shall be paid into the Bond Fund from the first Net Pledged Revenues thereafter received and not required to be applied as heretofore set forth.

Rate Maintenance Covenant

The Issuer must adopt, from time to time revise, and continue in effect a schedule of Student Fees and possibly other charges, grants and other Pledged Revenues pertaining to the Universities so that the amount of Net Pledged Revenues budgeted for receipt in each Fiscal Year is at least sufficient to pay in the Comparable Bond Year an amount, including the proceeds of the General Fund Fee and the General Improvement Fee equal to 150%, and so long as the Parity Lien Bonds (excluding the 2022 Bonds and the Bonds) remain Outstanding, excluding the proceeds of the General Fund Fee and the General Improvement Fee equal to 110%, of the Bond Requirements (excluding any reserves therefor) of the Bonds and any other Outstanding securities payable from the Net Pledged Revenues in that Bond Year. The rate maintenance covenant described in this paragraph is subject to compliance by the Issuer with any legislation of the United States, the State or other governmental body, or any regulation or other action taken by the federal government, any State agency, or any political subdivision of the State pursuant to such legislation, in the exercise of the police power thereof for the public welfare, which legislation, regulation or action limits or otherwise inhibits the amounts of any fees and other charges due to the Issuer for the use of or otherwise pertaining to the Universities including, without limitation, increases in the amounts of such fees or other charges (or a combination thereof).

Additional Securities

The Bond Resolution permits the Issuer to issue additional obligations payable from Net Pledged Revenues and having a lien thereon on a parity with the lien thereon of the Bonds under certain circumstances. The Issuer has covenanted not to issue additional obligations payable from Net Pledged Revenues and having a lien thereon which is superior to the lien of the Parity Lien Bonds or superior to the lien of any bonds or other securities issued with a lien on a parity with the Parity Lien Bonds.

Additional bonds or other securities payable from the Net Pledged Revenues and having a lien thereon on a parity with the lien of the Bonds may be issued subject to the limitation discussed above; provided, however, that no such additional securities (other than refunding securities) shall be issued unless:

(a) At the time of the adoption of the instrument authorizing the issuance of the additional securities, the Issuer is not in default in making any payments required to be made by the Bond Resolution or the bond resolutions for the other Parity Lien Bonds;

(b) The Net Pledged Revenues derived in either the Fiscal Year immediately preceding, or any 12 consecutive months of the 18 months immediately preceding, the date of issuance of the proposed securities, has been sufficient to pay an amount at least equal to 150% of the combined maximum annual principal and interest requirements (excluding amounts payable by virtue of optional redemption, but taking into account mandatory sinking fund redemptions) to be paid during any one Bond Year ending on or before July 1, 2051, of the Outstanding Parity Lien Bonds, and the securities proposed to be issued (excluding any reserves therefor); and

(c) As long as the Parity Lien Bonds (excluding the Bonds) are Outstanding, the Net Pledged Revenues, excluding from those revenues the proceeds of the General Fund Fees and the General Improvement Fees pertaining to the Universities, derived for the Fiscal Year immediately preceding, or any 12 consecutive months of the 18 months immediately preceding, the date of issuance of the additional parity securities, has been sufficient to pay an amount at least equal to 110% of the combined maximum annual principal and interest requirements to be paid during any one Bond Year ending on or before July 1, 2051, of the Outstanding Parity Lien Bonds, and the securities proposed to be issued (excluding any reserves therefor).

In any computation of the earnings test set forth in subparagraph (c) above (but not in any computation of the earnings test set forth in subparagraph (b) above), the amount of Net Pledged Revenues for the next preceding Fiscal Year shall be decreased and may be increased by the amount of loss or gain, respectively, estimated by the Chief Financial Officer resulting from any change in any Student Fees based on the number of full time students (or the equivalent thereof) during the next preceding Fiscal Year, as if the schedule of modified Student Fees had been in effect during the entire next preceding Fiscal Year, if the change shall have been made by the Board prior to such computation of the designated earnings test but made in the same Fiscal Year as the computation or in the next preceding Fiscal Year.

In addition, in any computation of the earnings test set forth in subparagraph (c) above (but not in any computation of the earnings test set forth in subparagraph (b) above), the amount of Net Pledged Revenue for the next preceding Fiscal Year may be increased by the revenues to be generated by the facilities constructed with the additional securities in the first fiscal year immediately succeeding the last fiscal year following the issuance of such additional parity securities in which interest on the additional parity securities is provided from the proceeds thereof as estimated by an independent consulting engineer or the Chief Financial Officer.

In addition, in any computation of the earnings test set forth in subparagraph (c) above (but not in any computation of the earnings test set forth in subparagraph (b) above), there also will be deducted from or added to the amount of any operation and maintenance expenses pertaining to any income-producing Facilities of the Universities and pertaining to any Pledged Revenues any estimated decrease or increase, respectively, in such expenses that will result from the expenditure of the funds to be derived from the issuance and sale of the additional bonds or other additional securities.

Finally, in any computation of the earnings test set forth in subparagraphs (b) and (c) above, the respective annual Bond Requirements (including the amount of any prior redemption premiums due on any redemption date as of which the Issuer shall have exercised or shall have obligated itself to exercise its prior redemption option by a call of securities for payment) shall be reduced to the extent such Bond Requirements are scheduled to be paid in each of the respective Bond Years with monies held in trust or in escrow for the purpose by any trust bank within or without the State, including the known minimum yield from any investment in Federal Securities.

Refunding Securities

Refunding securities enjoying complete parity with then Outstanding unrefunded Bonds may be issued only if either (a) the refunding securities are issued in compliance with the requirements listed under "Additional Securities" above (excluding from any computation the bonds to be refunded) or (b) the refunding securities do not increase for any Bond Year the aggregate principal and interest requirements evidenced by such refunding securities and by the Outstanding securities not refunded on and prior to the last maturity date or last redemption date, if any, whichever time is earlier, of such unrefunded securities, and the lien of any refunding securities on Pledged Revenues is not raised to a higher priority than the lien thereon of the securities thereby refunded, or (c) the lien on the Pledged Revenues for payment of the refunding securities is subordinate to each such lien for the payment of any securities not refunded.

Investments

Any moneys on deposit in the Revenue Fund or the Bond Fund not needed for immediate use may be invested or reinvested by the Chief Financial Officer of the Issuer or such officer's designee in:

(i) time or demand deposits of any commercial bank appropriately secured according to the laws of the State and otherwise to the extent permitted by the Bond Resolution;

(ii) Federal Securities, as provided in the Bond Resolution; and

(iii) other Permitted Investments.

However, capitalized interest and accrued interest deposited into the Bond Fund may only be invested in direct obligations of the United States or in obligations guaranteed by the United States.

Federal Securities purchased as an investment or reinvestment of moneys in any such accounts shall be deemed at all times to be a part of the account and held in trust therefor. Except as provided in the Bond Resolution, any interest or other gain in any account from any investments or reinvestments in Federal Securities and from any investment or reinvestment in Federal Securities and from any deposits of moneys in any commercial bank shall be credited to the account, and any loss in any account resulting from any such investments and reinvestments in Federal Securities and from any such deposits in a commercial bank shall be charged or debited to the account.

Amendment of the Bond Resolution

The Bond Resolution may be amended, changed or modified without the consent of any holders of Outstanding Bonds as may be required: (a) by its provisions; (b) for the purpose of curing any ambiguity or formal defect or omission therein; (c) in connection with the issuance and delivery of additional bonds or other securities payable from the Net Pledged Revenues, or (d) in connection with any other change therein which is not to the prejudice of the owners of the Bonds.

The Bond Resolution otherwise may be amended or supplemented upon the written consent of the owners of at least 66% in aggregate principal amount of the Outstanding Bonds and any outstanding refunding bonds issued to refund the Bonds; but no such amendment shall have the effect of permitting: (1) a change in the maturity or in the terms of redemption of any installment of principal or interest of any Outstanding Bond; (2) a reduction of the principal, interest rate or prior redemption premium payable in connection with any Bond without the consent of the holder of the Bond; (3) the creation of a lien upon or a pledge of revenues ranking prior to the lien or to the pledge created by the Bond Resolution; (4) a reduction of the principal amount or percentage of the Bonds, the consent of the holders of which is required for any such amendment or other modification; (5) the establishment of priorities between Outstanding Bonds; or (6) the material and prejudicial effect on the rights or privileges of the holders of less than all of the Bonds then Outstanding.

The Bond Resolution requires notice of certain amendments to be mailed electronically or otherwise upon the terms and conditions set forth in the Bond Resolution.

Default

The following are "events of default" under the Bond Resolution: (1) failure to pay when due and payable the principal of the Bonds or any prior redemption premium due in connection therewith at maturity or upon prior redemption, or any installment of interest when due and payable; (2) the Issuer for any reason is rendered incapable of fulfilling its obligations under the Bond Resolution; (3) the Issuer fails to carry out and to perform (or in good faith begin the performance of) all acts required of it under any contract relating to the Pledged Revenues, to any Facilities, to the Universities or any combination thereof, continuing 60 days after notice of such failure has been given to the Issuer by the initial purchaser of the Bonds or by the holders of 10% or more in aggregate principal amount of the Bonds; (4) the entry of a decree or order (with the consent or acquiescence of the Issuer) appointing a receiver or receivers for the Pledged Revenues or any Facilities, or, if such decree was entered without the consent of the Issuer, if it is not vacated, discharged or stayed on appeal within 60 days after entry; (5) a default by the Issuer in the due and punctual performance of any other of the covenants, conditions, agreements, and provisions contained in the Bonds or in the Bond Resolution to be performed (except with respect to the provisions of the Continuing Disclosure Undertaking, which shall not constitute a default under the Bond Resolution), if such default continues for 60 days after written notice specifying such default and requiring the same to be remedied has been given to the Issuer by the initial purchaser of the Bonds or by the holders of 10% or more in principal amount of the Bonds then Outstanding.

Upon the happening and continuance of any event of default, the holders of not less than 10% in aggregate principal amount of the Bonds then Outstanding may proceed against the Issuer to protect and enforce the rights of any bondholder under the Bond Resolution by suit, action or special proceedings, in equity or at law, either for the appointment of a receiver or for the specific performance of any covenant or agreement contained therein or by an award of execution of any power granted in the Bond Resolution or for the enforcement of any proper legal or equitable remedy as such bondholders may deem most effectual to protect and enforce such rights.

Defeasance

When all Bond Requirements of any Bond or any other securities of any other issue payable from Net Pledged Revenues have been duly paid, the pledge and lien and all obligations under the Bond Resolution shall thereby be discharged as to such issue of securities and they shall no longer be deemed to be Outstanding within the meaning of the Bond Resolution. There shall be deemed to be such due payment if the Issuer has placed in escrow or in trust with a trust bank exercising trust powers, an amount sufficient (including the known minimum yield available for such purpose from Federal Securities in which such amount wholly or in part may be initially invested) to meet all Bond Requirements of the securities issue, as such requirements become due to the fixed maturity dates of the securities or to any Redemption Date or Redemption Dates as of which the Issuer shall have exercised or shall have obligated itself to exercise its prior redemption option by a call of the securities thereafter maturing for payment then. The Federal Securities shall become due prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the Issuer and such bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure such availability as so needed to meet such schedule. If at any time the Issuer has so placed in escrow or trust any amount so sufficient to pay designated Bond Requirements of securities constituting less than all of the Bond Requirements of the securities becoming due on and before their respective due dates, be they the fixed maturity dates of the securities or any such Redemption Date pertaining to the securities, such designated Bond Requirements shall be deemed paid and discharged under the Bond Resolution.

Tax Covenant

The Issuer covenants for the benefit of the registered owners of the Bonds that it will not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, any other funds of the Issuer or any facilities financed with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, or (ii) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b) of the Tax Code. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the Issuer in fulfilling the above covenant under the Tax Code have been met. The Issuer makes no covenant with respect to taxation of interest on the Bonds as a result of the inclusion of that interest in the “adjusted financial statement income” of “applicable corporations” (as defined in Sections 56A and 59(k), respectively, of the Tax Code).

APPENDIX D

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the 2023 Bonds. The 2023 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the 2023 Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2023 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2023 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2023 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2023 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2023 Bonds, except in the event that use of the book-entry system for the 2023 Bonds is discontinued.

To facilitate subsequent transfers, all 2023 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2023 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2023 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2023 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2023 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2023 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2023 Bond documents. For example, Beneficial Owners of 2023 Bonds may wish to ascertain that the nominee holding the 2023 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2023 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2023 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the System as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts 2023 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption proceeds on the 2023 Bonds will be made to Cede& Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the System or the Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the System, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest or redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the System or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2023 Bonds at any time by giving reasonable notice to the System or the Registrar and Paying

Agent. Under such circumstances, in the event that a successor depository is not obtained, 2023 Bond certificates are required to be printed and delivered.

The System may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2023 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the System believes to be reliable, but the System takes no responsibility for the accuracy thereof.

APPENDIX E

FORM OF BOND COUNSEL OPINION

Nevada System of Higher Education
2601 Enterprise Road
Reno, Nevada 89512

$77,285,000
Nevada System of Higher Education
Universities Revenue Refunding Bonds
Series 2023

Ladies and Gentlemen:

We have acted as bond counsel to the Nevada System of Higher Education (the "System") in connection with the issuance of its "Nevada System of Higher Education, Universities Revenue Refunding Bonds, Series 2023" (the "Bonds"), in the aggregate principal amount of $77,285,000 pursuant to an authorizing resolution adopted and approved by the Board of Regents of the System on March 10, 2023 (the "Resolution"). In such capacity, we have examined the System's certified proceedings and such other documents and such law of the State of Nevada (the "State") and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Resolution.

Regarding questions of fact material to our opinions, we have relied upon the System's certified proceedings and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

1. The Bonds are valid and binding, special, limited obligations of the System payable solely from the Net Pledged Revenues and from funds and accounts pledged therefor under the Resolution.

2. The Resolution creates a valid lien on the Net Pledged Revenues pledged therein for the security of the Bonds on a parity with the Parity Lien Bonds and superior to the Subordinate Lien Bonds, if any, to be issued. The Resolution also creates a valid lien on the Bond Fund. Except as described in this paragraph, we express no opinion regarding the priority of the lien securing the Bonds on the Net Pledged Revenues or on the funds and accounts created by the Resolution.

3. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b) of the Tax Code; however, to the extent such interest is included in calculating the "adjusted financial statement income" of "applicable corporations"

(as defined in Sections 56A and 59(k), respectively, of the Tax Code), such interest is subject to the alternative minimum tax applicable to those corporations under Section 55(b) of the Tax Code for tax years beginning after December 31, 2022. The opinions expressed in this paragraph assume continuous compliance with the covenants and continued accuracy of the representations contained in the System's certified proceedings and in certain other documents and certain other certifications furnished to us.

4. Under the laws of the State in effect as of the date hereof, the Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation skipping transfers imposed pursuant to Chapter 375B of NRS.

The opinions expressed in this opinion letter are subject to the following:

The obligations of the System pursuant to the Bonds and the Resolution may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

In expressing the opinions above, we are relying, in part, on a report of independent certified public accountants verifying the mathematical computations of the adequacy of the maturing principal amounts of and interest on the investments and moneys included in the Escrow Account to pay all interest when due on the Refunded Bonds and the principal thereof becoming due on the prior redemption thereof or at stated maturity.

In this opinion letter issued in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy or completeness of the Official Statement or any other statements made in connection with any offer or sale of the Bonds or upon any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds, except those specifically addressed herein.

This opinion letter is issued as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Nevada System of Higher Education (the "Issuer") in connection with the issuance of the Nevada System of Higher Education, Universities Revenue Refunding Bonds, Series 2023, in the aggregate principal amount of $77,285,000 (the "Bonds"). The Bonds are being issued pursuant to the bond resolution of the Board of Regents of the Issuer adopted on March 10, 2023 (the "Resolution"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "SEC").

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Dissemination Agent" shall mean, initially, the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board in compliance with the Rule.

"Material Events" shall mean any of the events listed in Section 5 of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board. The MSRB's required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system available on the Internet at http://emma.msrb.org.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with an offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, annually not later than the March 31st following the end of the Issuer's fiscal year, commencing on March 31, 2024 following the end of the Issuer's fiscal year ending June 30, 2023, provide to the MSRB in an electronic format as prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than five (5) business days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report.

(b) If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall file or cause to be filed in a timely manner a notice in substantially the form attached as Exhibit A with the MSRB.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the appropriate electronic format prescribed by the MSRB;

(ii) if the Dissemination Agent is other than the Issuer, send written notice to the Issuer at least 45 days prior to the date the Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof; and

(iii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the entities to which it was provided.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following:

(a) A copy of its annual financial statements prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If audited annual financial statements are not available by the time specified in Section 3(a) above, unaudited financial statements will be provided as part of the Annual Report and audited financial statements will be provided when and if available.

(b) An update of the type of information identified in Exhibit B hereto, which is contained in the tables in the Official Statement with respect to the Bonds (excluding projections, forecasts and budgeted information which are not required to be updated).

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet Web Site or filed with the SEC. The Issuer shall clearly identify each such document incorporated by reference.

SECTION 5. Reporting of Material Events. The Issuer shall provide or cause to be provided, in a timely manner not in excess of 10 business days after the occurrence of the event, notice of any of the following events with respect to the Bonds:

(a) Principal and interest payment delinquencies;

(b) Non-payment related defaults, if material;

(c) Unscheduled draws on debt service reserves reflecting financial difficulties;

(d) Unscheduled draws on credit enhancements reflecting financial difficulties;

(e) Substitution of credit or liquidity providers, or their failure to perform;

(f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax status of the Bonds;

(g) Modifications to rights of bondholders, if material;

(h) Bond calls, if material, and tender offers;

(i) Defeasances;

(j) Release, substitution or sale of property securing repayment of the Bonds, if material;

(k) Rating changes;

(l) Bankruptcy, insolvency, receivership or similar event of the obligated person[1];

(m) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms if material;

(n) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

[1] For the purposes of the event identified in subparagraph (b)(5)(i)(C)(12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(o) Incurrence of a Financial Obligation of the obligated person, if material, or an agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and

(p) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an obligated person, any of which reflect financial difficulties.

SECTION 6. Format; Identifying Information. All documents provided to the MSRB pursuant to this Disclosure Certificate shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

As of the date of this Disclosure Certificate, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

SECTION 7. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the Bonds; (ii) the date that the Issuer shall no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist the Issuer in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and may waive any provision of this Disclosure Certificate, without the consent of the holders and beneficial owners of the Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule; provided that prior to any such amendment or waiver the Issuer shall receive an opinion of nationally recognized bond counsel to the effect that the amendment or waiver will not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The Issuer will provide notice of such amendment or waiver to the MSRB.

SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material

Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance under this Disclosure Certificate and all rights and remedies shall be limited to those expressly stated herein.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter, and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

NEVADA SYSTEM OF HIGHER EDUCATION

DATE: April 20, 2023.

____

Chief Financial Officer

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Nevada System of Higher Education

Name of Bond Issue: Nevada System of Higher Education,
Universities Revenue Refunding Bonds, Series 2023

CUSIP:

Date of Issuance: April 20, 2023

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Resolution adopted on March 10, 2023, and the Continuing Disclosure Certificate executed on April 20, 2023, by the Issuer. The Issuer anticipates that the Annual Report will be filed by ______________________.

Dated: _____________________

NEVADA SYSTEM OF HIGHER EDUCATION

By:_____________________________

Title:______________________________

EXHIBIT B

INDEX OF OFFICIAL STATEMENT TABLES TO BE UPDATED

(See page iv of this Official Statement)