

Nevada System of Higher Education
Financial Statements and Report of Independent Certified Public
Accountants
As of and for the Year Ended June 30, 2020

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We conducted our audit in accordance with U.S. GAAP and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Truckee Meadows Community College Foundation; Western Nevada College Foundation; 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, 2020.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the nature of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the System 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 System's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the System as of June 30, 2020, and the respective changes in financial position and, where applicable, basis of accounting for the year then ended in accordance with U.S. GAAP.



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 System ¶ V E D V L F I L Q D Q F T h e O V W D W H 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 the 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 U.S. GAAP. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other reporting required by

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Nevada System of Higher Education

System Administration

System Administration

Unaudited

University of Nevada, Reno Foundation
Athletic Association University of Nevada
University of Nevada School of Medicine Practice Plans (Integrated Clinical Services, 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 School of Medicine (SOM)
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 2019 TO 2020 (in \$1,000's)

- x Total net position increased by less than 4.5% from \$1,792,709 to \$1,873,007;
- x Capital assets increased by 4.3% from \$2,401,582 to \$2,505,136;
- x Operating revenues increased by 3.4% from \$982,426 to \$1,016,138;
- x Nonoperating revenues increased by 3.9% from \$860,346 to \$893,570; and
- x Operating expenses increased by 6.7% from \$1,881,243 to \$2,007,652.

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.

Unaudited

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, 2020, with a comparison made to June 30, 2019. 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)

	<u>2020</u>	<u>2019</u>	<u>Increase/ (Decrease)</u>	<u>Percent Change</u>
Assets				
Current assets	\$ 944,768	\$ 915,866	\$ 28,902	3.2%
Capital assets, net	2,505,136	2,401,582	103,554	4.3%
Other assets	487,373	458,203	29,170	6.4%
Total Assets	<u>3,937,277</u>	<u>3,775,651</u>	<u>161,626</u>	<u>4.3%</u>
Deferred Outflows of Resources	<u>123,112</u>	<u>99,780</u>	<u>23,332</u>	<u>23.4%</u>
Liabilities				
Current liabilities	337,572	317,840	19,732	6.2%
Noncurrent liabilities	1,781,326	1,706,897	74,429	4.4%
Total Liabilities	<u>2,118,898</u>	<u>2,024,737</u>	<u>94,161</u>	<u>4.7%</u>
Deferred Inflows of Resources	<u>68,484</u>	<u>57,985</u>	<u>10,499</u>	<u>18.1%</u>
Net Position				
Net investment in capital assets	1,753,177	1,651,202	101,975	6.2%
Restricted - Nonexpendable	90,897	90,694	203	0.2%
Restricted - Expendable	392,097	376,679	15,418	4.1%
Unrestricted	(363,164)	(325,866)	(37,298)	11.4%
Total Net Position	<u>\$ 1,873,007</u>	<u>\$ 1,792,709</u>	<u>\$ 80,298</u>	<u>4.5%</u>

Unaudited

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.

Unrestricted Net Position (deficit)

Unrestricted net position (deficit) increased by \$37.3 million in 2020 primarily driven by operating losses. Although unrestricted net position is not subject to externally imposed stipulations, substantially all of 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)

	<u>2020</u>	<u>2019</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Assets				
Current assets	\$ 415,735	\$ 388,908	\$ 26,827	6.9%
Capital assets, net	7,541	8,686	(1,145)	-13.2%
Other assets	401,929	405,046	(3,117)	-0.8%
Total Assets	<u>825,205</u>	<u>802,640</u>	22,565	2.8%
Deferred Outflows of Resources	185	274	(89)	-32.5%
Liabilities				
Current liabilities	39,236	21,285	17,951	84.3%
Noncurrent liabilities	21,774	22,348	(574)	-2.6%
Total Liabilities	61,010	43,633	17,377	39.8%
Deferred Inflows of Resources	8,991	9,482	(491)	-5.2%
Net Position				
Net investment in capital assets	6,917	8,015	(1,098)	-13.7%
Restricted - Nonexpendable	354,280	340,443	13,837	4.1%
Restricted - Expendable	355,909	367,646	(11,737)	-3.2%
Unrestricted	38,283	33,695	4,588	13.6%

33,376 (1) Net P 031807 2933087 91710 18 287 (82.6) 276 34,885,909 50.78 0 768 251,520 292 217,790 61.70 (4) -12.00 118 (6) 212 149,519 78 0

The eighteen campuses, athletic foundations, and medical practice plans, as System Related Organizations, continue to support the campuses in their long-range plans and provide support for

Unaudited

construction of facilities as well as scholarships and other operating costs. Changes in the above schedule primarily reflect the foundations' increase in investments and other current assets offset by decreased unearned revenue and other current liabilities.

Unaudited

Operating Revenue - Student Tuition and Fees increased to \$475.5 million, or 7%, primarily from a small increase in enrollment combined with a 4% increase in tuition and fees rates. Federal grants and contracts increase to \$182.3 million, or 2%, while state, local and other grants and contracts increased to \$92.1 million, or 5%.

The increase in operating expenses was driven by an increase in employee compensation and benefits and scholarships and fellowships.

Nonoperating net revenues increased by \$33 million, or 4%. This was led by increases in Federal Grants and Contracts of \$38.5 million.

Other Revenue increased \$146 million primarily from an increase in state appropriations restricted for capital purposes by \$107.5 million and from a gain on impairment of an asset (Argenta and Nye Halls at UNR) of \$41.5 million. In addition, Capital grants and gifts increased by \$10.5 million; however, there was a return of capital gifts of \$15 million resulting in a net decrease of \$4.5 million.

System Related Organizations (in \$1,000s)

Unaudited

Cash flows from investing activities decreased by \$96.6 million as the result of investment activity.

CAPITAL ASSET AND DEBT ADMINISTRATION

As of June 30, 2020, the System had invested \$2,505.1 million in a broad range of capital assets, including buildings, machinery and equipment, library books and media, art and other valuable collections, intangible assets and land. This represents a net increase (including additions and deletions) of \$103.5 million over June 30, 2019.

During fiscal year 2020, the System issued \$76 million of long-term bonds, capital leases, and obligations to finance capital projects. As of June 30, 2020, the coverage on the University Revenue Bonds (pledged revenues to maximum annual debt service) was 7.19 times, above minimum required coverage of 1.50. For statutory purposes, the coverage was 1.63 times, above minimum required coverage of 1.10. As of June 30, 2020, the coverage on the Community College Revenue Bonds (pledged revenues to maximum annual debt service) was 20.28 times, above the minimum required coverage of 1.50. For statutory purposes, the coverage was 2.52 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 2020, the System realized a net gain of student full time equivalent (FTE) enrollment of 1.6% or 1,129 average annual FTE students system-wide compared to fiscal year 2019. Student FTE enrollments increased slightly at one university and all the community colleges. Student FTE enrollments decreased slightly at the other university. The State College had increased enrollments. 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 2020 will exceed enrollments in fiscal year 2020 with roughly the same trends.

The Legislatively approved System operating budget includes state appropriations and authorized expenditures (State Supported Operating Budget). The Operating Budget totals \$956 million for fiscal year 2021. This compares to the fiscal year 2020 Operating Budget of \$1,063.5 million and represents a 10% decrease. General Fund revenues of \$576 million in fiscal year 2021 decreased when compared to the General Fund revenues of \$701 million in fiscal year 2020 by \$125 million or by 17.8% due mainly to legislative actions reducing funding state wide in response to the pandemic that has led to reductions in state tax revenue. The System is not aware of further reductions in state funding and expects to draw all the General Funds appropriated without further reduction or offsets.

Other authorized revenue sources, consisting mainly of student fee revenues, total \$370 million in fiscal year 2021, approximately \$11.6 million more than in fiscal year 2020, due mostly to an increase in enrollments and student registration fees. Student fees remain stable at 35% of the State Supported Operating Budget and are expected

Unaudited

Student enrollment system-wide is anticipated to exceed projected and budgeted enrollment in fiscal year 2022, as it did in 2021, and therefore pursuant to Senate Bill 553 of the 2019 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 have 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, 2020, the date of these financial statements, the fair value of our investments have substantially returned to pre-pandemic levels; however, some non-state revenues have experienced declines this fiscal year. We anticipate state and non-state revenues will decline further during the next fiscal year. 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, 2020 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the System for future periods.

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 va

**NEVADA SYSTEM OF HIGHER EDUCATION
 COMBINED STATEMENTS OF NET POSITION (in \$1,000's)
 AS OF JUNE 30, 2020**

	<u>System</u>	<u>System Related Organization</u>
Current Assets		
Cash and cash equivalents	\$ 123,575	\$ 73,847
Restricted cash and cash equivalents	141	14,160
Short-term investments	632,517	266,496
Accounts receivable, net	85,599	1,770
Receivable from U.S. Government	58,657	-
Receivable from State of Nevada	7,984	-
Pledges receivable, net	-	27,691
Patient accounts receivable, net	-	8,416
Current portion of loans receivable, net	1,251	1
Due from affiliates	9,474	18,436
Inventories	5,220	295
Deposits and prepaid expenditures, current	18,782	168
Other current assets	1,568	4,455
Total Current Assets	1,487,088	588,003

Current Liabilities

Accounts payable	41,992	2,232
Accrued payroll and related liabilities	84,273	1,515
Unemployment insurance and workers' compensation	4,615	-

NEVADA SYSTEM OF HIGHER EDUCATION
COMBINED STATEMENT OF CASH FLOWS (in \$1,000's)

**NEVADA SYSTEM OF HIGHER EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
 FOR THE YEAR ENDED JUNE 30, 2020**

NEVADA SYSTEM OF HIGHER EDUCATION
 COMBINED STATEMENT OF CASH FLOWS (in \$1,000's)
 (CONTINUED)
 AS OF JUNE 30, 2020

	System
Reconciliation of operating loss to cash flows from operating activities	
Operating loss	\$ (991,514)
Adjustments to reconcile operating loss to cash used in operating activities:	
Supplies expense related to noncash gifts	153
Depreciation and amortization expense	117,215
Change in pension related deferred outflows of resources	(9,912)
Change in pension related deferred inflows of resources	11,504
Change in OPEB related deferred outflows of resources	(12,338)
Change in OPEB related deferred inflows of resources	(163)
Change in service concession arrangements deferred inflows of resources	(1,380)
Changes in assets and liabilities:	
Accounts receivable, net	(6,663)
Receivable from U.S. Government	9,123
Receivable from State of Nevada	5,981
Loans receivable, net	1,043
Inventories	1,801
Due from other instit45.2 (o)-26.4 (m)104.f.1 ()TJ0.8 (971.309 0 Td[()-14[1,-)29.45(380))TJ-0.0207 Tc 0.0001 Tw -3.385 0 Td[)-9.1 ()-9.1 ()TJ0.0413 Tc -0.062 Tw -67.924 -1.30	

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2020**

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2020**

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

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. Interest in the amount of \$339 was capitalized during the year ended June 30, 2020. Depreciation is computed on a straight-line basis over the following estimated useful lives:

<u>Assets</u>	<u>Year</u>
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 (atmy)8edfedo m

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2020**

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

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 until then. The System has pension related, other post-employment benefits related and loss on bond refunding balances of \$82,027, \$29,981 and \$11,104, respectively, at June 30, 2020. 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 \$185 at June 30, 2020.

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 and gain on bond refunding balances of \$32,539, \$34,584, \$1,265 and \$96, respectively, at June 30, 2020, while the System Related Organizations have split-interest agreements and unearned lease revenue of \$2,465 and \$6,526, respectively, at June 30, 2020.

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. The System has split-interest agreements and unearned lease revenue of \$2,465 and \$6,526, respectively, at June 30, 2020.

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2020**

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

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.

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 inputs used in the valuation process.

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2020**

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

GRANTS-IN-AID

Student tuition and fees revenue include grants-in-aid charged to

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2020**

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

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 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, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements 4 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 oc

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 4 – Disclosures About Fair Value of Financial Instruments:

Investments at Fair Value

The System's investment holdings as of June 30, 2020 categorized in accordance with

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 6 – System Endowment Pool:

At June 30, 2020, \$244,666 of endowment fund investments were pooled on a unit market value basis. As of June 30, 2020, the endowment pool was comprised of investments in cash and cash equivalents (0.7%), mutual funds (8.5%), partnerships (23.9%), and private commingled (66.9%). 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, 2020 was \$847.14. 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, 2020, 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 2020, \$25.89 was distributed to each time-weighted eligible unit for a total spending rule distribution of \$9,744. The 2020 distributions were made from investment income of \$1,000 and from cumulative gains of pooled investments of \$10,744.

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 \$155,609 at June 30, 2020 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, 2020, there were no accounts underwater.

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.

Accounts receivable:

Student tuition and fees

\$68,043

Sales and services

65 (ar)7.1 (d of R619)TJ0.370.(2Td04 Tc 0.0696 Tw 7 0 0 9 11D[A-41.2

NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 9 – System Capital Assets:

System capital asset activity for the year ended June 30, 2020 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Construction in progress	\$ 199,188	\$ 141,630	\$ (157,913)	\$ 182,905
Land	\$ 1,653,906	\$ 187,942	\$ (190,761)	\$ 1,651,087

In 2020, the total amount recognized as a loss on disposal of assets was immaterial.

On July 5, 2019, two explosions occurred on the UNR campus that damaged Argenta and Nye Halls, two of UNR's residence halls, as well as the primary residence hall dining facility located in Argenta Hall. The net book value of Argenta and Nye Halls was \$23,197 at June 30, 2019. The explosions originated in the boiler room of Argenta Hall.

UNR is covered by both casualty and business interruption insurance. Based on assurances from UNR's insurers with respect to casualty and business interruption coverages, the System does not expect the July 5th incident to have materially adverse consequences to UNR's overall financial position or operations. However, while the System would characterize the current status of negotiations with UNR's insurers as generally positive and the payments of claims as timely, it is not possible for the System to predict with certainty at this time whether issues might arise in the future that could negatively impact UNR's liquidity of financial resources.

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 10 – System Long-Term Debt:

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

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

In November 2017, the University of Nevada, Reno issued Series 2017A University revenue refunding bonds with a face value of \$25.9 million, with the proceeds used to defease the 2010A bonds which has an outstanding balance of \$26.6 at the time of the issuance of the 2017A bonds. The 2010A bonds will not be called until fiscal 2021 (the 10-year call date). Therefore, the net proceeds have been deposited into a restricted trust with an escrow agent to provide funds for current interest payments on the 2017A bonds until such time as the 2010A bonds can be called. Since the 2017A bonds are considered a crossover advance refunding, the University of Nevada, Reno still reports a long-term obligation for the 2010A bonds, and also reports cash with an escrow agent in restricted cash made up of unspent net proceeds of the 2017A bonds.

System long-term debt activity for the year ended June 30, 2020 is as follows:

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**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2020**

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

System notes payable activity for the year ended June 30, 2020 is as follows:

***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 leverage is (u5Ivar)7.IBOR ra

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2020**

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

Various outstanding notes from direct borrowings and direct placements of the System in the combined amount of \$3,163 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 \$914 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 \$2,787 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 \$1,353 is secured by instructional equipment as collateral. Vari

NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)

NEVADA SYSTEM OF HIGHER EDUCATION

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 17 – System Pension Plans (continued):

For the year ended June 30, 2020 the System recognized pension expense of \$16,420. At June 30, 2020 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	\$ 15,526	\$ 11,675
Net difference between projected and actual investment earnings on pension plan investments	-	20,136
Changes in assumptions	16,850	-
Changes in proportion and differences between actual contributions and proportionate share of contributions	19,088	728

In 2020 \$30,564 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:

Actuarial Assumptions

The PERS net pension liability was measured as of June 30, 2019 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	2.75%
Investment Rate of Return	7.50%
Productivity pay increase	0.50%
Projected salary increases	4.25% to 9.15%, depending on service Rates include inflation and productivity increases
Consumer Price Index	2.75%
Other assumptions	Same as those used in the June 30, 2019 funding Actuarial valuation

Mortality rates for healthy participants were based on the Headcount-Weighted RP-2014 Healthy Annuitant Table projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries. For disabled participants, mortality rates were based on the Headcount – Weighted RP-2014 Disabled Retiree Table, set forward four years.

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of the experience review completed in 2019.

The PERS policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the PERS.

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 17 – System Pension Plans (continued):

The following was the PERS Board adopted policy target asset allocation as of June 30, 2019:

<u>Asset Class</u>	<u>Target Allocation</u>	Long-Term Geometric Expected <u>Real Rate of Return*</u>
Domestic Equity	42%	5.50%
International E		

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2020**

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 stat

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2020**

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

Of the total amount reported as deferred outflows of resources related to OPEB, \$17,715 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 June 30, 2020. This deferred outflow will be recognized as expense in fiscal 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Actuarial assumptions

The total OPEB liability was determined by an actuarial valua

NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2020

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 \$10,000 excess of a \$3,000 self-insured retention (SIR).

The System purchases the following commercial insurance:

- X 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.
- X Worker's compensation (foreign and domestic) with statutory limits excess of a \$750 SIR.
- X Crime & Fidelity (employee dishonesty) with limits of \$1,250 and a deductible of \$100.

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2020**

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, UNLV Medicine and ICS. Due to the condensed nature of this information, the individual line items may not necessarily agree with the financial statements of the System Related Organization, although the totals agree with the financial statements. Condensed combining financial data of the System Related Organizations is as follows:

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**NEVADA SYSTEM OF HIGHER EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
 FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 23 - System Related Organizations (continued):

NEVADA SYSTEM OF HIGHER EDUCATION SYSTEM RELATED ORGANIZATIONS
 NET POSITION AS OF JUNE 30, 2020

	UNLV Alumni <u>Association</u>	UNLV Rebel Football <u>Foundation</u>	UNLV Rebel Soccer <u>Foundation</u>	UNLV Singapore <u>Limited</u>	UNLV <u>UNLV MED</u>	UNR <u>Foundation</u>	UNR <u>AAUN</u>	Integrated Clinical <u>Services, Inc.</u>	WNC <u>Foundation</u>	Total System Related <u>Organizations</u>
Current Assets										
Cash and cash equivalents	\$ 489	\$ 137	\$ 299	\$ 360	\$ 2,337	\$ 54,521	\$ 85	\$ 6,579	\$ 222	\$ 73,847
Restricted cash and cash equivalents	-	-	-	-	5,163	-	-	-	299	\$ 14,160
Short-term investments	1,814	1,503	237	5,379	-	191,271	8,117	1,561	-	\$ 266,496
Accounts receivable, net	73	-	-	-	1,655	-	-	-	-	\$ 1,770
Pledges receivable, net	-	-	-	-	-	4,230	98	-	6	\$ 27,691
Patient accounts receivable, net	-	-	-	-	6,991	-	-	1,425	-	\$ 8,416
Current portion of loans receivable, net	-	-	-	-	-	-	-	-	-	\$ 1
Inventories	-	-	-	-	295	-	-	-	-	\$ 295
Deposits and prepaid expenditures, current	10	-	-	2	89	-	-	-	-	\$ 168
Due from affiliates (SROs)	-	-	-	-	80	901	137	-	-	\$ 18,436
Other current assets	10,407	1,074	1,385	4,300	1,466	10,400	10,400	7,074	20,800	4,386,502

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**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2020**

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, 2020

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NEVADA SYSTEM OF HIGHER EDUCATION

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 23 - System Related Organizations (continued):

This policy provides for diversification of assets in an effort to maximize the in

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 23 - System Related Organizations (continued):

Level 3 – Unobservable inputs that are supported by little or no market activities and that are significant to the fair value of the

NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 23 - System Related Organizations (continued):

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 \$655 for the years ended June 30, 20 were netted against interest and dividends on the accompanying Statements of Support and Revenues, Expenses and Changes in Net Position.

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, 2020, the total balance for the UNLV Foundation's cash and money market funds was \$7,263.

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2020**

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 23 - System Related Organizations (continued):

Foreign Currency Risk

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

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.

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 activity

NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 23 - System Related Organizations (continued):

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:

- x 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.
- x Medicaid is a medical coverage program jointly funded by both

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
System's proportion of the net pension liability	3.00%	2.92%	2.88%	2.89%	2.83%	2.81%				
System's proportionate share of the net pension liability	\$ 414,036	\$ 398,883	\$ 383,226	\$ 389,352	\$ 324,708	\$ 292,841				
System's covered-employee payroll	\$ 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	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	324.76%	303.80%	290.88%	260.10%	302.03%	322.16%				

(Historical information prior to the implementation of GASB 67/68 is not required)

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

The accompanying notes are an integral part of these financial statements

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractual required contribution	\$ 30,564	\$ 28,549	\$ 27,030	\$ 34,456	\$ 33,124	\$ 29,901				
Contributions in relation to contractually required contribution	(30,564)	(28,549)	(27,030)	(43,152)	(35,756)	(29,901)				
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (8,696)	\$ (2,632)	\$ -				
System's covered-employee payroll	\$ 200,838	\$ 196,183	\$ 187,737	\$ 179,694	\$ 171,007	\$ 165,653				
Contributions as a percentage of covered-employee payroll	15.22%	14.55%	14.40%	19.17%	19.37%	18.05%				

(Historical information prior to the implementation of GASB 67/68 is not required)

The accompanying notes are an integral part of these financial statements

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
System's proportion of the net OPEB liability	40.85%	39.13%	37.59%	(Historical information prior to the implementation of GASB 74/75 is not required)						
System's proportionate share of the net OPEB liability	569,268	518,254	489,754							
System's covered-employee payroll	757,182	711,803	625,454							
System's proportion share of the net OPEB liability as a percentage of its covered-employee payroll	75.18%	72.81%	78.30%							
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%							

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

2020 2019 2018 2017

The accompanying notes are an integral part of these financial statements

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, 2018
Methods used to determine contribution rates:	
Actuarial Cost Method	Entry Age Normal Level % of Pay
Asset Valuation Method	Market Value of Assets
Retirement Age**	63
Mortality	Pre-Retirement: Headcount-weighted RP-2014 table projected to 2020 with Scale MP-2016. Post-Retirement: Headcount-weighted RP-2014 Healthy Annuitant table projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries

** Weighted average retirement age based on January 1, 2018 census data and retirement rates provided in the "Actuarial Assumptions and Methods" section of the report

The accompanying notes are an integral part of these financial statements

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SUPPLEMENTAL INFORMATION

NEVADA SYSTEM OF HIGHER EDUCATION
COMBINING STATEMENTS OF NET POSITION (in \$1,000's)
AS OF JUNE 30, 2020

	<u>CSN</u>	<u>DRI</u>	<u>GBC</u>	<u>NSC</u>	<u>SA</u>	<u>TMCC</u>
Current Assets						
Cash and cash equivalents	\$ 5,467	\$ 1,319	\$ 610	\$ 1,864	\$ 80,427	\$ 2,028
Restricted cash and cash equivalents	-	141	-	-	-	-
Short-term investments	59,193	27,802	5,580	10,499	28,413	25,508
Accounts receivable, net	6,219	1,778	1,219	723	153	1,598
Receivable from U.S. Government	4,195	2,462	140	456	405	1,095
Receivable from State of Nevada	482	106	252	(31)	123	1,277
Receivable from other institutions	-	28	38	(89)	26	-



NEVADA SYSTEM OF HIGHER EDUCATION
COMBINING STATEMENTS OF NET POSITION (in \$1,000's)
(CONTINUED)
AS OF JUNE 30, 2020

UNLV UNR WNC Eliminations TOTAL

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**NEVADA SYSTEM OF HIGHER EDUCATION
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (in \$1,000's)
AS OF JUNE 30, 2020**

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NEVADA SYSTEM OF HIGHER EDUCATION
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (in \$1,000's)
(CONTINUED)
AS OF JUNE 30, 2020

	<u>UNLV</u>	<u>UNR</u>	<u>WNC</u>	<u>Eliminations</u>	<u>TOTAL</u>
Operating Revenues					
Student tuition and fees (net of scholarship allowance of \$193,121)	\$ 222,463	\$ 153,142	\$ 5,282	\$ 13	\$ 475,552
Federal grants and contracts	44,705	107,378	1,583	(6,181)	182,354
State grants and contracts	23,859	20,072	596	(1,360)	55,274
Local grants and contracts	471	3,841	-	-	4,312
Other grants and contracts	3,365	20,167	2	(275)	32,539
Sales and services of educational departments (including \$41,544 from System Related Organizations)	88,228				92,817
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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, the financial statements of the business-type activities and aggregate discretely presented component units of the Nevada System of Higher Education and the related notes to the financial statements which collectively comprise the financial statements for the year ended June 30, 2011.

