

OFFICIAL STATEMENT

\$156,515,000*

State of Nevada General Obligation Bonds

\$119,485,000*
State of Nevada
General Obligation (Limited Tax)
Capital Improvement and Refunding
Bonds
Series 2021A

\$12,505,000*
State of Nevada
General Obligation (Limited Tax)
Natural Resources Bonds
Series 2021B

\$7,485,000*
State of Nevada
General Obligation (Limited Tax)
Open Space, Parks and Natural
Resources Bonds
Series 2021C

\$6,470,000*
State of Nevada
General Obligation (Limited Tax)
Open Space, Parks and Natural
Resources Bonds
Series 2021D

\$5,970,000*
State of Nevada
General Obligation (Limited Tax)
Safe Drinking Water Revolving Fund
Matching and Refunding Bonds
Series 2021E

\$4,600,000*
State of Nevada
General Obligation (Limited Tax)
Water Pollution Control Revolving
Fund Matching Bonds
Series 2021F



* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

[THIS PAGE INTENTIONALLY LEFT BLANK]

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the 2021A Bonds, the 2021B Bonds, the 2021C Bonds, the 2021D Bonds, the 2021E Bonds and the 2021F Bonds (together, 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 of delivery of the Bonds (the “Tax Code”), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. See “TAX MATTERS—Federal Tax Matters” in Part I of this Official Statement.

NEW ISSUES — BOOK-ENTRY ONLY

RATINGS

DAC Bond	Fitch (all series) Moody’s (all series) S&P (2021A, 2021B, 2021C and 2021D Bonds) S&P (2021E and 2021F Bonds)	AA+ Aa1 AA+ AAA
-----------------	--	--------------------------

See “RATINGS”

<p>\$119,485,000*</p> <p>State of Nevada</p> <p>General Obligation (Limited Tax)</p> <p>Capital Improvement and Refunding</p> <p>Bonds</p> <p>Series 2021A</p>	<p>\$12,505,000*</p> <p>State of Nevada</p> <p>General Obligation (Limited Tax)</p> <p>Natural Resources Bonds</p> <p>Series 2021B</p>	<p>\$7,485,000*</p> <p>State of Nevada</p> <p>General Obligation (Limited Tax)</p> <p>Open Space, Parks and Natural</p> <p>Resources Bonds</p> <p>Series 2021C</p>
<p>\$6,470,000*</p> <p>State of Nevada</p> <p>General Obligation (Limited Tax)</p> <p>Open Space, Parks and Natural</p> <p>Resources Bonds</p> <p>Series 2021D</p>	<p>\$5,970,000*</p> <p>State of Nevada</p> <p>General Obligation (Limited Tax)</p> <p>Safe Drinking Water Revolving Fund</p> <p>Matching and Refunding Bonds</p> <p>Series 2021E</p>	<p>\$4,600,000*</p> <p>State of Nevada</p> <p>General Obligation (Limited Tax)</p> <p>Water Pollution Control Revolving</p> <p>Fund Matching Bonds</p> <p>Series 2021F</p>

DATED: Date of Delivery

DUE: See inside of this cover page

Interest on the Bonds is payable as follows:

<p><u>Series</u></p> <p>2021A, 2021B, 2021C and 2021D</p> <p>2021E and 2021F</p>	<p><u>Interest Payment Dates</u></p> <p>May 1 and November 1, commencing on May 1, 2022</p> <p>February 1 and August 1, commencing February 1, 2022</p>
--	---

The Bonds may be purchased in book–entry form only, in the principal amount of \$5,000 or any integral multiple thereof. See “Appendix C—BOOK-ENTRY SYSTEM” in Part I of this Official Statement.

The Bonds or portions thereof will be subject to optional redemption prior to maturity as set forth herein. A bidder may request that the Bonds maturing on or after the dates set forth in the Official Notice of Bond Sale referred to below be included in one or more term bonds and be subject to mandatory sinking fund redemption, subject to the terms and conditions set forth under the heading “Mandatory Sinking Fund Redemption” in the “OFFICIAL NOTICE OF BOND SALE” referred to below.

The Bonds are direct general obligations of the State of Nevada (the “State”) to which the full faith and credit of the State is pledged. The Bonds are payable as to principal and interest from general (ad valorem) taxes levied against all taxable property within the State (except to the extent any other moneys are made available therefor), subject to Nevada constitutional and statutory limitations on the aggregate amount of such taxes. See “DESCRIPTION OF THE BONDS—Security for the Bonds” in Part I of this Official Statement. The 2021E Bonds and 2021F Bonds are also secured by and payable from certain pledged revenues as described in the 2021E Bond Order and 2021F Bond Order, respectively. See Part III of this Official Statement for a summary of pledged revenues securing the 2021E Bonds and Part IV of this Official Statement for a summary of pledged revenues securing the 2021F Bonds.

The Bonds will be sold in a competitive sale on November 16, 2021. Prices and yields will be set by the successful bidder. The “OFFICIAL NOTICE OF BOND SALE” is included as Appendix E to Part I of this Official Statement.

For maturity dates and interest rates, see the inside cover of this Official Statement.

The Bonds are offered, subject to prior sale, when, as and if issued by the State and accepted by each of the successful bidders, and subject to the approval of legality and certain other legal matters by Sherman & Howard L.L.C., Bond Counsel. Certain legal matters will be passed upon Hawkins Delafield & Wood LLP, as Disclosure Counsel to the State. The Bonds are expected to be available for book–entry delivery on or about December __, 2021.

This page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

Official Statement Dated: November __, 2021

* Preliminary, subject to change.

\$119,485,000*
State of Nevada
General Obligation (Limited Tax)
Capital Improvement and Refunding Bonds
Series 2021A

Base CUSIP[†]: _____

Maturity Date <u>(May 1)</u>	Principal <u>Amount*</u>	Interest <u>Rate</u>	<u>Price or Yield</u>	CUSIP[†] <u>Suffix</u>
2022	\$6,490,000			
2023	5,425,000			
2024	2,815,000			
2025	1,985,000			
2026	2,080,000			
2027	2,190,000			
2028	2,300,000			
2029	7,975,000			
2030	8,375,000			
2031	6,140,000			
2032	6,445,000			
2033	6,640,000			
2034	6,840,000			
2035	7,045,000			
2036	7,255,000			
2037	7,470,000			
2038	7,695,000			
2039	7,925,000			
2040	8,105,000			
2041	8,290,000			

* Preliminary, subject to change.

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the State and are included solely for the convenience of the registered owners of the Bonds. The State is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

\$12,505,000*
State of Nevada
General Obligation (Limited Tax)
Natural Resources Bonds
Series 2021B

Base CUSIP[†]: _____

Maturity Date <u>(May 1)</u>	Principal <u>Amount*</u>	Interest <u>Rate</u>	<u>Yield</u>	CUSIP[†] <u>Suffix</u>
2022	\$3,965,000			
2023	4,165,000			
2024	4,375,000			

* Preliminary, subject to change.

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the State and are included solely for the convenience of the registered owners of the Bonds. The State is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

\$7,485,000*
State of Nevada
General Obligation (Limited Tax)
Open Space, Parks and Natural Resources Bonds
Series 2021C

Base CUSIP[†]: _____

Maturity Date <u>(May 1)</u>	Principal <u>Amount*</u>	Interest <u>Rate</u>	<u>Yield</u>	CUSIP[†] <u>Suffix</u>
2022	\$245,000			
2023	255,000			
2024	270,000			
2025	280,000			
2026	295,000			
2027	310,000			
2028	325,000			
2029	340,000			
2030	360,000			
2031	380,000			
2032	395,000			
2033	410,000			
2034	420,000			
2035	430,000			
2036	440,000			
2037	445,000			
2038	455,000			
2039	465,000			
2040	475,000			
2041	490,000			

* Preliminary, subject to change.

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the State and are included solely for the convenience of the registered owners of the Bonds. The State is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

\$6,470,000*
State of Nevada
General Obligation (Limited Tax)
Open Space, Parks and Natural Resources Bonds
Series 2021D

Base CUSIP[†]: _____

Maturity Date (May 1)	Principal Amount*	Interest Rate	Yield	CUSIP[†] Suffix
2022	\$240,000			
2023	255,000			
2024	265,000			
2025	280,000			
2026	295,000			
2027	310,000			
2028	325,000			
2029	340,000			
2030	355,000			
2031	375,000			
2032	395,000			
2033	405,000			
2034	415,000			
2035	425,000			
2036	435,000			
2037	445,000			
2038	450,000			
2039	460,000			

* Preliminary, subject to change.

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the State and are included solely for the convenience of the registered owners of the Bonds. The State is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

\$5,970,000*
State of Nevada
General Obligation (Limited Tax)
Safe Drinking Water Revolving Fund
Matching and Refunding Bonds
Series 2021E

Base CUSIP[†]: _____

<u>Maturity Date</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP[†]</u> <u>Suffix</u>
2022	\$490,000			
2023	415,000			
2024	440,000			
2025	915,000			
2026	730,000			
2027	795,000			
2028	635,000			
2029	470,000			
2030	295,000			
2031	140,000			
2032	340,000			
2033	205,000			
2034	100,000			

* Preliminary, subject to change.

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the State and are included solely for the convenience of the registered owners of the Bonds. The State is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

\$4,600,000*
State of Nevada
General Obligation (Limited Tax)
Water Pollution Control Revolving
Fund Matching Bonds
Series 2021F

Base CUSIP[†]: _____

<u>Maturity Date</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP[†]</u> <u>Suffix</u>
2022	\$1,220,000			
2023	875,000			
2024	740,000			
2025	630,000			
2026	515,000			
2027	620,000			

* Preliminary, subject to change.

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the State and are included solely for the convenience of the registered owners of the Bonds. The State is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

STATE OF NEVADA

Steve Sisolak, Governor
Vacant¹, Lieutenant Governor
Barbara K. Cegavske, Secretary of State
Zachary B. Conine, State Treasurer
Catherine Byrne, State Controller
Aaron Ford, Attorney General

MUNICIPAL ADVISORS

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

Zions Public Finance
230 Las Vegas Boulevard South, Suite 200
Las Vegas, Nevada 89101
(702) 796-7080

BOND COUNSEL

Sherman & Howard L.L.C.
50 West Liberty Street, Suite 1000
Reno, Nevada 89501
(775) 323-1980

DISCLOSURE COUNSEL

Hawkins Delafield & Wood LLP
200 SW Market Street, Suite 350
Portland, Oregon 97201
(503) 402-1320

REGISTRAR AND PAYING AGENT

U.S. Bank National Association
101 North First Avenue, Suite 1600
Phoenix, Arizona 85003
(800) 934-6802

¹ Former Lieutenant Governor Kate Marshall resigned effective September 17, 2021. Governor Steve Sisolak may appoint a new lieutenant governor to serve until the November 2022 election or leave the position vacant. The position is currently vacant.

No dealer, broker, salesperson or other person has been authorized by the State of Nevada (the "State") to give any information or to make any representations other than as contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the State or the successful bidders for the Bonds. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

Any information, estimates and expressions of opinion herein are subject to change without notice; and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no material change in the affairs of the State since the date hereof.

The information set forth herein has been furnished by the State and includes information obtained from other sources. Such other sources are believed to be reliable, but the information derived from such sources is not guaranteed as to accuracy or completeness. The information, estimates and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the State since the date hereof. Such information and expressions of opinion are made for the purpose of providing information to prospective investors and are not to be used for any other purpose or relied on by any other person.

This Official Statement contains statements which, to the extent they are not recitations of historical fact, constitute "forward-looking statements." In this respect, the words "estimate," "project," "anticipate," "expect," "intend" and "believe" and similar expressions are intended to identify forward-looking statements. A number of important factors affecting the State's financial results could cause actual results to differ materially from those stated in the forward-looking statements. The presentation of information, including tables of receipts from taxes and other revenues, is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial position or other affairs of the State. No representation is made that past experience, as it might be shown by such financial and other information, will necessarily continue or be repeated in the future.

No website mentioned in this Official Statement is part of this Official Statement, and readers should not rely upon any information presented on any such website in determining whether to purchase the Bonds. Any references to any website mentioned in this Official Statement are not hyperlinks and this Official Statement does not incorporate such websites by reference. The State, including various State agencies and departments, maintains various websites. However, the information presented on such websites is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds.

In connection with this offering the successful bidders may over allot or effect transactions that stabilize or maintain the market prices of the Bonds offered hereby at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

[THIS PAGE INTENTIONALLY LEFT BLANK]

TABLE OF CONTENTS

**SUMMARY
INTRODUCTION**

	Page
General	1
Part I – Information Concerning the Bonds Being Offered.....	1
Part II – Information Concerning the State of Nevada	1
Part III – Information Concerning Additional Security for the 2021E Bonds Only	2
Part IV – Information Concerning Additional Security for the 2021F Bonds Only	2
Federal and State Tax Exemption.....	2
Investment Considerations	2
Impacts of the COVID-19 Pandemic	2
Miscellaneous.....	3

PART I - INFORMATION CONCERNING THE BONDS BEING OFFERED

DESCRIPTION OF THE BONDS	I-1
General	I-1
Interest.....	I-1
Redemption of Bonds.....	I-1
Authorization and Purposes of Bonds	I-4
Plan of Refunding.....	I-5
Sources and Uses of Proceeds of the Bonds.....	I-6
Security for the Bonds	I-6
Primary Source of Payment for the 2021E Bonds and 2021F Bonds.....	I-7
Summary of Certain Provisions of the Bond Resolutions	I-8
CONTINUING DISCLOSURE UNDERTAKINGS	I-8
INVESTMENT CONSIDERATIONS	I-9
Impacts of COVID-19 Pandemic	I-9
Risks Related to the U.S. and Global Economies and Geopolitical Uncertainty.....	I-10
Risks of Changes in Federal Policy and Federal Funding	I-10
Limited Land Available for Property Taxation	I-10
Climate Change and Natural Disasters.....	I-11
Loss of Tax Exemption	I-11
Secondary Market for the Bonds.....	I-11
Limitations on Remedies.....	I-12
Cybersecurity Incident and Risks.....	I-12
Ballot Measures.....	I-12
Litigation	I-13
Forward-Looking Statements	I-13
LEGAL MATTERS	I-13
ABSENCE OF LITIGATION RELATING TO THE BONDS	I-13
TAX MATTERS	I-13
Federal Tax Matters	I-13
State Tax Exemption	I-15
FINANCIAL STATEMENTS.....	I-15
RATINGS.....	I-15
UNDERWRITING	I-16
MUNICIPAL ADVISORS	I-16
AUTHORIZATION	I-17
PART I – SCHEDULE I – MATURITY SCHEDULES OF REFUNDED BONDS	I-S-1
PART I – APPENDIX A – FORMS OF APPROVING OPINIONS OF BOND COUNSEL	I-A-1
PART I – APPENDIX B – FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT	I-B-1
PART I – APPENDIX C – BOOK-ENTRY SYSTEM	I-C-1
PART I – APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTIONS	I-D-1
PART I – APPENDIX E – OFFICIAL NOTICE OF BOND SALE	I-E-1

PART II – INFORMATION CONCERNING THE STATE OF NEVADA

	Page
GOVERNMENT STRUCTURE	II-1
DEBT STRUCTURE	II-2
Constitutional Debt Limitation.....	II-2
Outstanding General Obligation Bonds.....	II-3
Debt Service on General Obligation Bonds	II-6
Authorized But Unissued General Obligation Bonds.....	II-8
Lease-Backed Financings.....	II-12
Security for State General Obligation Bonds	II-12
PROPERTY TAXATION	II-14
Property Tax Base and Tax Roll Collection.....	II-14
Property Tax Limitations	II-18
State Tax Rates for Repayment of General Obligation Bonds	II-20
FINANCIAL INFORMATION.....	II-23
Financial Statements	II-23
Budget Procedure	II-23
General Fund.....	II-24
State General Fund Revenue Sources	II-25
Marijuana Excise Tax History.....	II-27
Tax Credit Programs	II-27
General Fund Balance	II-34
Account to Stabilize the Operation of State Government and Other Contingency Accounts	II-35
2019-2021 Biennium.....	II-37
The 31 st Special Session of the Legislature	II-40
The 32 nd Special Session of the Legislature	II-41
COVID-19 Federal Aid.....	II-42
2021-2023 Biennium.....	II-42
Education Support.....	II-44
Pension Plans	II-45
Public Employees’ Benefits Program.....	II-46
Active Employee Group Insurance	II-48
Insurance Premium Trust Fund	II-48
CYBERSECURITY	II-49
STATE LITIGATION	II-50
ECONOMIC AND DEMOGRAPHIC INFORMATION	II-52
General	II-52
Population and Age Distribution.....	II-53
Income.....	II-54
Employment	II-56
Educational Attainment.....	II-57
Sales and Use Tax	II-57
Gaming and Tourism.....	II-58
Transportation	II-60
Economic Development	II-61
Federal Activities	II-63
Mining	II-64
Electric Utilities	II-65
Water.....	II-65

TABLES

* Table 1	- Constitutional Debt Limitation.....	II-3
* Table 2	- Outstanding General Obligation Bonds	II-4
* Table 3	- Annual Debt Service Requirements	II-6
* Table 4	- Direct General Obligation Debt Ratios	II-7
Table 5	- County Assessed Valuations	II-15
* Table 6	- Ten Largest Taxable Property Owners.....	II-16
* Table 7	- Tax Levies, Collections and Delinquencies Clark County, Nevada.....	II-17
* Table 8	- Tax Levies, Collections and Delinquencies Washoe County, Nevada.....	II-17
* Table 9	- State Debt Service on Outstanding Bonds Paid with State-Wide Property Tax.....	II-20
* Table 10	- Property Tax Rates Levied and Property Tax Revenues Collected to Repay General Obligation Bonds	II-21
Table 11	- Overlapping Tax Rates: State-Wide Average, Las Vegas and Reno.....	II-22
* Table 12	- General Fund Revenues	II-31
* Table 13	- General Fund Appropriations.....	II-32
* Table 14	- General Fund Unappropriated Balances.....	II-33
Table 15	- General Fund Balance	II-35
Table 16	- Nevada Population by County.....	II-53
Table 17	- Age Distribution.....	II-54
Table 18	- Per Capita Personal Income	II-54
Table 19	- Median Household Income	II-55
Table 20	- Percent of Households by Income Groups	II-55
Table 21	- Average Annual Labor Force Summary	II-56
Table 22	- Average Establishment-Based Industrial Employment by Calendar Year	II-56
Table 23	- Educational Attainment.....	II-57
Table 24	- Transactions Taxable Under the Nevada Sales and Use Tax Laws.....	II-57
Table 25	- Gross Taxable Gaming Revenues and Total Gaming Taxes	II-58
Table 26	- Visitor Volume and Room Occupancy Rate Las Vegas Metropolitan Area, Nevada	II-59
Table 27	- Visitor Volume and Room Occupancy Rate Washoe County, Nevada.....	II-60
Table 28	- Convention and Visitors Authority Room Tax Revenue.....	II-60
Table 29	- Mineral Production.....	II-65
Table 30	- Mineral Production (By Weight).....	II-65

* Annual financial information of the type set forth in the table is to be updated annually pursuant to the Disclosure Dissemination Agreement.

PART II – ATTACHMENT I - SUMMARY OF STATE OF NEVADA PENSION SYSTEMS	II-Att. I-1
PART II – ATTACHMENT II - SUMMARY OF STATE OF NEVADA PUBLIC EMPLOYEES’ BENEFITS PROGRAM	II-Att. II-1
PART II – APPENDIX A – STATE OF NEVADA ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FY 2020 (EXCLUDING THE INTRODUCTORY SECTION AND STATISTICAL SECTION).....	II-A-1
PART II – APPENDIX B – STATE OF NEVADA HISTORY OF GENERAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES.....	II-B-1
PART II – APPENDIX C – MAY 4, 2021 ECONOMIC FORUM FORECAST ADJUSTED FOR 2021 LEGISLATIVE ACTIONS AND COURT DECISIONS	II-C-1

**PART III – INFORMATION CONCERNING ADDITIONAL SECURITY FOR THE
SERIES 2021E BONDS ONLY**

**PART IV – INFORMATION CONCERNING ADDITIONAL SECURITY FOR THE
SERIES 2021F BONDS ONLY**

[THIS PAGE INTENTIONALLY LEFT BLANK]

SUMMARY

This summary is not a complete description of the Bonds and does not contain all of the information you should consider before making any investment decision with respect to the Bonds. Prospective purchasers of Bonds should read the more detailed information appearing in this Official Statement for a complete understanding about the offering and the terms of, security for, and sources of payment for the Bonds.

THE BONDS

- Bonds Offered** State of Nevada General Obligation (Limited Tax) Capital Improvement and Refunding Bonds, Series 2021A (the “2021A Bonds”)
- State of Nevada General Obligation (Limited Tax) Natural Resources Bonds, Series 2021B (the “2021B Bonds”)
- State of Nevada General Obligation (Limited Tax) Open Space, Parks and Natural Resources Bonds, Series 2021C (the “2021C Bonds”)
- State of Nevada General Obligation (Limited Tax) Open Space, Parks and Natural Resources Bonds, Series 2021D (the “2021D Bonds”)
- State of Nevada General Obligation (Limited Tax) Safe Drinking Water Revolving Fund Matching and Refunding Bonds, Series 2021E (the “2021E Bonds”)
- State of Nevada General Obligation (Limited Tax) Water Pollution Control Revolving Fund Matching Bonds, Series 2021F (the “2021F Bonds”)

- Interest Payment Dates** 2021A Bonds, 2021B Bonds, 2021C Bonds and 2021D Bonds
- May 1 and November 1, commencing on May 1, 2022
- 2021E Bonds and 2021F Bonds
- February 1 and August 1, commencing February 1, 2022

Redemption Provisions Optional Redemption

2021A Bonds

The 2021A Bonds or portions thereof in Authorized Denominations, maturing on and after May 1, 2032, will be subject to optional redemption prior to their respective maturities, without premium, at the option of the State, as directed by the State Treasurer or designee, on and after May 1, 2031, in whole or in part at any time from any maturities selected by the State Treasurer or designee and by lot within a maturity, at a redemption price equal to 100% of the principal amount of each such 2021A Bond or portion thereof to be redeemed, plus accrued interest thereon to the redemption date.

2021B Bonds

The 2021B Bonds are not subject to optional redemption prior to their respective maturities.

2021C Bonds

The 2021C Bonds or portions thereof in authorized denominations, maturing on and after May 1, 2032, will be subject to optional redemption prior to their respective maturities, without premium, at the option of the State, as directed by the State Treasurer or designee, on and after May 1, 2031, in whole or in part at any time from any maturities selected by the

State Treasurer or designee and by lot within a maturity, at a redemption price equal to 100% of the principal amount of each such 2021C Bond or portion thereof to be redeemed, plus accrued interest thereon to the redemption date.

2021D Bonds

The 2021D Bonds or portions thereof in authorized denominations, maturing on and after May 1, 2032, will be subject to optional redemption prior to their respective maturities, without premium, at the option of the State, as directed by the State Treasurer or designee, on and after May 1, 2031, in whole or in part at any time from any maturities selected by the State Treasurer or designee and by lot within a maturity, at a redemption price equal to 100% of the principal amount of each such 2021D Bond or portion thereof to be redeemed, plus accrued interest thereon to the redemption date.

2021E Bonds

The 2021E Bonds or portions thereof in authorized denominations, maturing on and after August 1, 2032, will be subject to optional redemption prior to their respective maturities, without premium, at the option of the State, as directed by the State Treasurer or designee, on and after August 1, 2031, in whole or in part at any time from any maturities selected by the State Treasurer or designee and by lot within a maturity, at a redemption price equal to 100% of the principal amount of each such 2021E Bond or portion thereof to be redeemed, plus accrued interest thereon to the redemption date.

2021F Bonds

The 2021F Bonds are not subject to optional redemption prior to their respective maturities.

Mandatory Sinking Fund Redemption

2021A Bonds

The 2021A Bonds maturing on May 1, 20__, will be subject to mandatory sinking fund redemption (by lot in such manner as the Registrar may determine) on the dates and in the amounts set forth below, at a redemption price equal to 100% of the principal amount of any such 2021A Bonds to be redeemed and accrued interest to the redemption date:

<u>Redemption Date</u> <u>(May 1)</u>	<u>Principal Amount</u>
--	-------------------------

\$

2021B Bonds

The 2021B Bonds are not subject to mandatory sinking fund redemption.

2021C Bonds

The 2021C Bonds maturing on May 1, 20__, will be subject to mandatory sinking fund redemption (by lot in such manner as the Registrar may determine) on the dates and in the amounts set forth below, at a redemption price equal to 100% of the principal amount of any such 2021C Bonds to be redeemed and accrued interest to the redemption date:

<u>Redemption Date</u>	<u>Principal Amount</u>
------------------------	-------------------------

(May 1)

\$

2021D Bonds

The 2021D Bonds maturing on May 1, 20__, will be subject to mandatory sinking fund redemption (by lot in such manner as the Registrar may determine) on the dates and in the amounts set forth below, at a redemption price equal to 100% of the principal amount of any such 2021D Bonds to be redeemed and accrued interest to the redemption date:

Redemption Date
(May 1)

Principal Amount

\$

2021E Bonds

The 2021E Bonds maturing on August 1, 20__, will be subject to mandatory sinking fund redemption (by lot in such manner as the Registrar may determine) on the dates and in the amounts set forth below, at a redemption price equal to 100% of the principal amount of any such 2021E Bonds to be redeemed and accrued interest to the redemption date:

Redemption Date
(August 1)

Principal Amount

\$

2021F Bonds

The 2021F Bonds are not subject to mandatory sinking fund redemption.

Extraordinary Mandatory Redemption

The 2021E Bonds and 2021F Bonds are subject to extraordinary redemption in the event proceeds of the 2021E Bonds or the 2021F Bonds are not spent by certain deadlines. Federal tax law requires that 30 percent of the net proceeds of the 2021E Bonds and the 2021F Bonds be used to make loans to local governments within one year of the date of issuance of the Bonds and 95% of the net proceeds of the 2021E Bonds and 2021F Bonds be used for that purpose within three years of the date of issue of the Bonds. The State expects to meet these requirements, but if it does not, in order to preserve the federal tax exemption for interest on the 2021E Bonds and the 2021F Bonds, an amount equal to the shortfall will be used to redeem the 2021E or 2021F Bonds, as applicable, in authorized denominations at a price equal to the principal of each Bond to be redeemed plus accrued interest to the

redemption date. The Bonds to be redeemed will be selected by lot in such manner as the bond registrar may determine. The redemption date will be a date not later than 90 days following the one-year or three-year period, as applicable, described above.

PURPOSE

Purpose..... The 2021A Bonds are being issued (i) to finance various capital improvement projects, (ii) to refund certain outstanding bonds, and (iii) to pay costs of issuance of the 2021A Bonds.

The 2021B Bonds are being issued (i) to provide grants for water conservation and capital improvements to certain water systems, (ii) to finance the costs of environmental improvement projects for the Lake Tahoe Basin, and (iii) to pay costs of issuance of the 2021B Bonds.

The 2021C Bonds are being issued (i) to finance various projects to protect, preserve and obtain the benefits of the property and natural and cultural resources of the State, and (ii) to pay costs of issuance of the 2021C Bonds.

The 2021D Bonds are being issued (i) to finance various projects to protect, preserve and obtain the benefits of the property and natural and cultural resources of the State, and (ii) to pay costs of issuance of the 2021D Bonds.

The 2021E Bonds are being issued (i) to provide state matching funds for the State's Safe Drinking Water Revolving Fund program, (ii) to refund certain outstanding bonds, and (iii) to pay costs of issuance of the 2021E Bonds.

The 2021F Bonds are being issued (i) to provide state matching funds for the State's Water Pollution Control Revolving Fund program, and (ii) to pay costs of issuance of the 2021F Bonds.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General Obligation of the State..... All of the Bonds are direct general obligations of the State to which the full faith and credit of the State is pledged. The Bonds are payable as to principal and interest from general (ad valorem) taxes levied against all taxable property within the State (except to the extent any other revenues are made available therefor), subject to Nevada constitutional and statutory limitations on the aggregate amount of such taxes.

See "DESCRIPTION OF THE BONDS—Security for the Bonds" in Part I of this Official Statement for additional information regarding the general obligation of the State and Nevada constitutional and statutory limitations on ad valorem taxes.

Additional Source of Payment for the 2021E Bonds Although the 2021E Bonds are direct general obligations of the State to which the full faith and credit of the State is pledged, the State does not expect to levy ad valorem taxes to pay such 2021E Bonds because those 2021E Bonds are payable primarily from and secured by other revenues and are categorized as self-supporting bonds. The 2021E Bonds are payable primarily from and secured by a nonexclusive lien on available amounts on deposit in the Safe Drinking Water Revolving Fund consisting of amounts received from local governments as interest payments (and not principal payments) on State loans to local governments for drinking water system projects on a parity with certain other State general obligation bonds. See Part III of this Official Statement for a summary of pledged revenues securing the 2021E Bonds.

Additional Source of Payment for Although the 2021F Bonds are direct general obligations of the State to which the full faith

the 2021F Bonds..... and credit of the State is pledged, the State does not expect to levy ad valorem taxes to pay such 2021F Bonds because those 2021F Bonds are payable primarily from and secured by other revenues and are categorized as self-supporting bonds. The 2021F Bonds are payable primarily from and secured by a nonexclusive lien on available amounts on deposit in the Water Pollution Control Revolving Fund consisting of amounts received from local governments as interest payments (and not principal payments) on State loans to local governments for wastewater treatment and pollution control projects on a parity with certain other State general obligation bonds. See Part IV of this Official Statement for a summary of pledged revenues securing the 2021F Bonds.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]

**OFFICIAL STATEMENT
OF THE STATE OF NEVADA
RELATING TO THE ISSUE AND SALE OF
\$156,515,000*
GENERAL OBLIGATION BONDS**

<p>\$119,485,000* State of Nevada General Obligation (Limited Tax) Capital Improvement and Refunding Bonds Series 2021A</p>	<p>\$12,505,000* State of Nevada General Obligation (Limited Tax) Natural Resources Bonds Series 2021B</p>	<p>\$7,485,000* State of Nevada General Obligation (Limited Tax) Open Space, Parks and Natural Resources Bonds Series 2021C</p>
<p>\$6,470,000* State of Nevada General Obligation (Limited Tax) Open Space, Parks and Natural Resources Bonds Series 2021D</p>	<p>\$5,970,000* State of Nevada General Obligation (Limited Tax) Safe Drinking Water Revolving Fund Matching and Refunding Bonds Series 2021E</p>	<p>\$4,600,000* State of Nevada General Obligation (Limited Tax) Water Pollution Control Revolving Fund Matching Bonds Series 2021F</p>

INTRODUCTION

General

This Official Statement of the State of Nevada (the “State”), including the cover pages, inside cover pages, schedules, appendices and attachments, is provided for the purpose of setting forth information in connection with the sale of the bonds listed above (by series referred to herein as the “2021A Bonds,” “2021B Bonds,” “2021C Bonds,” “2021D Bonds,” “2021E Bonds,” and “2021F Bonds,” and collectively referred to as the “Bonds”).

The Bonds will be sold in a competitive sale on November 16, 2021, and will mature on the dates and in the principal amounts, and bear interest at the rates, set forth in the pages immediately following the cover page of this Official Statement.

This Official Statement consists of the cover pages and all prefatory material prior to this introduction, this introduction, Part I (including all Schedules and Appendices thereto), Part II (including all Appendices and Attachments thereto), Part III and Part IV.

Part I – Information Concerning the Bonds Being Offered

Part I sets forth information concerning the Bonds, including the payment and redemption provisions, the basis of their authorization and their purposes, the security for the Bonds, a description of the events of default, remedies, amendments and discharge provisions applicable to the Bonds, the federal income tax treatment of the interest on the Bonds, and certain other matters.

Part II – Information Concerning the State of Nevada

Part II sets forth certain information relating to the State, including constitutional and statutory authorizations of general obligation debt and applicable debt limitations, information related to general obligation bonds currently issued and outstanding, as well as general obligation bonds authorized but unissued, information

* Preliminary, subject to change.

relating to State property taxes and collections, certain financial data relating to the State, and certain economic and demographic information. Part II also includes as appendices (i) the Annual Comprehensive Financial Report of the State for FY 2020 (excluding the Introductory Section and Statistical Section), (ii) History of General Fund Revenues, Expenditures and Changes in Fund Balances for FY 2016, 2017, 2018, 2019 and 2020, and (iii) the May 4, 2021 Economic Forum Forecast, after adjustments for actions approved by the Legislature during the 2021 Session (81st Session) and impacts of certain Nevada Supreme Court decisions as described in “FINANCIAL INFORMATION – State General Fund Revenue Sources – Commerce Tax” and “LITIGATION” in this Part II of this Official Statement (hereinafter referred to as the “May 2021 Economic Forum Forecast Adjusted for 2021 Legislative Actions and Court Decisions”). The State’s fiscal year (referred to herein as “FY”) is the 12-month period ending on June 30.

Part III – Information Concerning Additional Security for the 2021E Bonds Only

Part III sets forth certain information relating to the State’s Safe Drinking Water Revolving Fund program and additional security that relates to the 2021E Bonds only.

Part IV – Information Concerning Additional Security for the 2021F Bonds Only

Part IV sets forth certain information relating to the State’s Water Pollution Control Revolving Fund program and additional security that relates to the 2021F Bonds only.

Federal and State Tax Exemption

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, 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 of delivery of the Bonds (the “Tax Code”), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. See “TAX MATTERS—Federal Tax Matters” in Part I of this Official Statement.

In the opinion of Bond Counsel, 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 the NRS. See “TAX MATTERS—State Tax Exemption” in Part I of this Official Statement.

Investment Considerations

The State’s ability to pay principal of and interest on the Bonds depends upon numerous factors, many of which are not subject to the control of the State. Certain factors that could materially adversely affect the ability of the State to pay debt service on the Bonds are described under “INVESTMENT CONSIDERATIONS” in Part I of this Official Statement.

Impacts of COVID-19 Pandemic

The outbreak of COVID-19, a disease caused by a new strain of coronavirus, has been declared a pandemic by the World Health Organization (“WHO”). COVID-19 outbreak developments, and associated governmental and regulatory responses, are rapidly changing. The effects of COVID-19 and the actions taken at the State, local and national levels, as described in this Official Statement, to halt its spread have had, and are expected to continue to have, a significant negative effect on the revenues and economy of the State. The State cannot predict the duration or magnitude of that impact. In addition, historical data presented in this Official Statement (including the appendices) may not predict near term trends accurately in light of the unprecedented and rapidly evolving nature of the COVID-19 pandemic and its economic effects. See “INVESTMENT CONSIDERATIONS—Impacts of COVID-19 Pandemic” in Part I of this Official Statement.

Miscellaneous

Potential investors should review this entire Official Statement. The Official Statement speaks only as of its date, and the information contained herein is subject to change. Brief descriptions of the State, the Bonds, and the Bond Resolutions (defined below) and other State documents related to the Bonds (the “Bond Documents”) are included in this Official Statement. All references herein to the Bonds and the Bond Documents and other documents referred to herein 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 as set forth in the Bond Documents.

So far as any statements made in this Official Statement involve matters of opinion, assumptions, projections, anticipated events or estimates, whether or not expressly stated, they are set forth as such and not as presentations of fact, and actual results may differ substantially from those set forth herein. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the purchasers or subsequent owners of the Bonds.

The summaries of certain provisions of the Bonds, the Nevada statutes, the Bond Documents and other documents referred to in this Official Statement do not purport to be complete and reference is made to each of them for a complete statement of their provisions. The term “NRS” used herein refers to the Nevada Revised Statutes.

A wide variety of other information, including financial information, concerning the State is available from State agencies, State agency publications and State agency websites. No such information is a part of or incorporated into this Official Statement.

[THIS PAGE INTENTIONALLY LEFT BLANK]

PART I

INFORMATION CONCERNING THE BONDS BEING OFFERED

DESCRIPTION OF THE BONDS

General

The Bonds will be dated their date of delivery and will mature on the dates and in the principal amounts set forth on the inside cover pages of this Official Statement. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), which will act as securities depository for the Bonds. Beneficial interests in the Bonds may be purchased in book-entry form only, in denominations of \$5,000 or any integral multiple thereof (“Authorized Denominations”). Purchasers of the Bonds will not receive certificates representing their ownership interest in the Bonds purchased. The regular record date for the payment of interest on the Bonds is the close of business on the 15th day of the calendar month preceding an interest payment date. Interest will be paid by U.S. Bank National Association, Paying Agent and Registrar (the “Paying Agent” and “Registrar”), on the interest payment date (or if such day is not a business day, on the next succeeding business day) to DTC or its nominee as registered owner of the Bonds. Disbursement of interest, principal and redemption payments is the responsibility of DTC. So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, references in this Official Statement to the registered owners of the Bonds will mean Cede & Co., and will not mean the beneficial owners. See “APPENDIX C—BOOK-ENTRY SYSTEM” in Part I of this Official Statement.

Interest

Interest on the Bonds is payable on the dates and at the interest rates shown on the pages immediately following the cover page of this Official Statement calculated on the basis of a 360-day year of twelve 30-day months.

Redemption of Bonds

Optional Redemption

The Bonds are subject to optional redemption as follows:

Optional Redemption of 2021A Bonds. The 2021A Bonds or portions thereof in authorized denominations, maturing on and after May 1, 2032, will be subject to optional redemption prior to their respective maturities, without premium, at the option of the State, as directed by the State Treasurer or designee, on and after May 1, 2031, in whole or in part at any time from any maturities selected by the State Treasurer or designee and by lot within a maturity, at a redemption price equal to 100% of the principal amount of each such 2021A Bond or portion thereof to be redeemed, plus accrued interest thereon to the redemption date.

Optional Redemption of 2021B Bonds. The 2021B Bonds are not subject to optional redemption prior to their respective maturities.

Optional Redemption of 2021C Bonds. The 2021C Bonds or portions thereof in authorized denominations, maturing on and after May 1, 2032, will be subject to optional redemption prior to their respective maturities, without premium, at the option of the State, as directed by the State Treasurer or designee, on and after May 1, 2031, in whole or in part at any time from any maturities selected by the State Treasurer or designee and by lot within a maturity, at a redemption price equal to 100% of the principal amount of each such 2021C Bond or portion thereof to be redeemed, plus accrued interest thereon to the redemption date.

Optional Redemption of 2021D Bonds. The 2021D Bonds or portions thereof in authorized denominations, maturing on and after May 1, 2032, will be subject to optional redemption prior to their respective maturities, without premium, at the option of the State, as directed by the State Treasurer or designee, on and after

May 1, 2031, in whole or in part at any time from any maturities selected by the State Treasurer or designee and by lot within a maturity, at a redemption price equal to 100% of the principal amount of each such 2021D Bond or portion thereof to be redeemed, plus accrued interest thereon to the redemption date.

Optional Redemption of 2021E Bonds. The 2021E Bonds or portions thereof in authorized denominations, maturing on and after August 1, 2032, will be subject to optional redemption prior to their respective maturities, without premium, at the option of the State, as directed by the State Treasurer or designee, on and after August 1, 2031, in whole or in part at any time from any maturities selected by the State Treasurer or designee and by lot within a maturity, at a redemption price equal to 100% of the principal amount of each such 2021E Bond or portion thereof to be redeemed, plus accrued interest thereon to the redemption date.

Optional Redemption of 2021F Bonds. The 2021F Bonds are not subject to optional redemption prior to their respective maturities.

Mandatory Sinking Fund Redemptions

The 2021A Bonds, the 2021B Bonds, the 2021C Bonds, the 2021D Bonds, the 2021E Bonds, and the 2021F Bonds are subject to mandatory sinking fund redemption as follows:

Mandatory Sinking Fund Redemption of 2021A Bonds. The 2021A Bonds maturing on May 1, 20__, will be subject to mandatory sinking fund redemption (by lot in such manner as the Registrar may determine) on the dates and in the amounts set forth below, at a redemption price equal to 100% of the principal amount of any such 2021A Bonds to be redeemed and accrued interest to the redemption date:

Redemption Date (May 1)	<u>Principal Amount</u> \$
----------------------------	-------------------------------

At the option of the State Treasurer, the State may: (i) deliver to the Registrar for cancellation the 2021A Bonds subject to mandatory sinking fund redemption, or portions thereof in Authorized Denominations in an aggregate amount desired by the State Treasurer; or (ii) specify a principal amount of such 2021A Bonds, or portions thereof in Authorized Denominations which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and cancelled by the Registrar and not theretofore applied as a credit against any sinking fund redemption obligation with respect to such 2021A Bond. Each such 2021A Bond or portion thereof so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the State on the sinking fund redemption dates and any excess shall be so credited against future sinking fund redemption obligations in such manner as the State Treasurer determines.

Mandatory Sinking Fund Redemption of 2021B Bonds. The 2021B Bonds are not subject to mandatory sinking fund redemption.

Mandatory Sinking Fund Redemption of 2021C Bonds. The 2021C Bonds maturing on May 1, 20__, will be subject to mandatory sinking fund redemption (by lot in such manner as the Registrar may determine) on the dates and in the amounts set forth below, at a redemption price equal to 100% of the principal amount of any such 2021C Bonds to be redeemed and accrued interest to the redemption date:

Redemption Date (May 1)	<u>Principal Amount</u> \$
----------------------------	-------------------------------

At the option of the State Treasurer, the State may: (i) deliver to the Registrar for cancellation the 2021C Bonds subject to mandatory sinking fund redemption, or portions thereof in Authorized Denominations in an aggregate amount desired by the State Treasurer; or (ii) specify a principal amount of such 2021C Bonds, or portions thereof in Authorized Denominations which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and cancelled by the Registrar and not theretofore applied as a credit against any sinking fund redemption obligation with respect to such 2021C Bond. Each such 2021C Bond or portion thereof so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the State on the sinking fund redemption dates and any excess shall be so credited against future sinking fund redemption obligations in such manner as the State Treasurer determines.

Mandatory Sinking Fund Redemption of 2021D Bonds. The 2021D Bonds maturing on May 1, 20__, will be subject to mandatory sinking fund redemption (by lot in such manner as the Registrar may determine) on the dates and in the amounts set forth below, at a redemption price equal to 100% of the principal amount of any such 2021D Bonds to be redeemed and accrued interest to the redemption date:

Redemption Date <u>(May 1)</u>	<u>Principal Amount</u> \$
-----------------------------------	-------------------------------

At the option of the State Treasurer, the State may: (i) deliver to the Registrar for cancellation the 2021D Bonds subject to mandatory sinking fund redemption, or portions thereof in Authorized Denominations in an aggregate amount desired by the State Treasurer; or (ii) specify a principal amount of such 2021D Bonds, or portions thereof in Authorized Denominations which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and cancelled by the Registrar and not theretofore applied as a credit against any sinking fund redemption obligation with respect to such 2021D Bond. Each such 2021D Bond or portion thereof so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the State on the sinking fund redemption dates and any excess shall be so credited against future sinking fund redemption obligations in such manner as the State Treasurer determines.

Mandatory Sinking Fund Redemption of 2021E Bonds. The 2021E Bonds maturing on August 1, 20__, will be subject to mandatory sinking fund redemption (by lot in such manner as the Registrar may determine) on the dates and in the amounts set forth below, at a redemption price equal to 100% of the principal amount of any such 2021E Bonds to be redeemed and accrued interest to the redemption date:

Redemption Date <u>(August 1)</u>	<u>Principal Amount</u> \$
--------------------------------------	-------------------------------

At the option of the State Treasurer, the State may: (i) deliver to the Registrar for cancellation the 2021E Bonds subject to mandatory sinking fund redemption, or portions thereof in Authorized Denominations in an aggregate amount desired by the State Treasurer; or (ii) specify a principal amount of such 2021E Bonds, or portions

thereof in Authorized Denominations which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and cancelled by the Registrar and not theretofore applied as a credit against any sinking fund redemption obligation with respect to such 2021E Bond. Each such 2021E Bond or portion thereof so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the State on the sinking fund redemption dates and any excess shall be so credited against future sinking fund redemption obligations in such manner as the State Treasurer determines.

Mandatory Sinking Fund Redemption of 2021F Bonds. The 2021F Bonds are not subject to mandatory sinking fund redemption.

Extraordinary Mandatory Redemption

The 2021E Bonds and the 2021F Bonds are subject to extraordinary redemption in the event proceeds of the 2021E Bonds or the 2021F Bonds are not spent by certain deadlines. Federal tax law requires that 30 percent of the net proceeds of the 2021E Bonds and the 2021F Bonds be used to make loans to local governments within one year of the date of issuance of the Bonds and 95% of the net proceeds of the 2021E Bonds and 2021F Bonds be used for that purpose within three years of the date of issue of the Bonds. The State expects to meet these requirements, but if it does not, in order to preserve the federal tax exemption for interest on the 2021E Bonds and the 2021F Bonds, an amount equal to the shortfall will be used to redeem 2021E Bonds or 2021F Bonds, as applicable, in authorized denominations at a price equal to the principal of each Bond, or portion thereof, to be redeemed plus accrued interest to the redemption date. The redemption date will be a date not later than 90 days following the one-year or three-year period, as applicable, described above.

Notice of Redemption

Notice of redemption of any Bonds will be given by the Registrar by electronic mail as long as Cede & Co. or a nominee or a successor depository is the owner of the Bonds, and otherwise by first-class, postage prepaid mail, at least 20 days but not more than 60 days prior to the redemption date, to the registered owner of the Bonds called for redemption (which will be Cede & Co., as nominee of DTC) and electronically to the Municipal Securities Rulemaking Board via its Electronic Municipal Market Access System (“MSRB”), and as otherwise provided in the Bond Resolutions (defined below). The notice will identify the Bonds or portions thereof to be redeemed, specify the redemption date and state that on the redemption date the principal amount thereof, accrued interest and premium, if any, thereon will become due and payable at the principal office of the Paying Agent or such other office as may be designated by the Paying Agent, and that after the redemption date, no further interest will accrue on the principal of any Bonds called for redemption. Actual receipt of the notice by the MSRB or the registered owner of the Bonds shall not be a condition precedent to the redemption of such Bonds. Failure to give such notice as described above to the MSRB or the registered owner, or any defect therein, shall not affect the validity of the proceedings for the redemption of any other Bonds called for redemption. Any notice of redemption may contain a statement that the redemption is conditional 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 Bonds so called for redemption, and that if such funds are not available, such redemption shall be cancelled by written notice to the owners of the Bonds called for redemption in the same manner as the original redemption notice was given.

Authorization and Purposes of Bonds

2021A Bonds. The 2021A Bonds are being issued (i) to finance various capital improvement projects, (ii) to refund certain outstanding bonds, and (iii) to pay costs of issuance of the 2021A Bonds. The 2021A Bonds are being issued pursuant to the Constitution and laws of the State, including Chapter 466, Statutes of Nevada, 2021 (the “2021 Capital Improvement Project Act”), NRS 349.150 through and including 349.364, as amended (the “Bond Act”), and a resolution adopted by the Board of Finance of the State of Nevada (the “Board of Finance”) on October 26, 2021 (the “2021A Bond Resolution”). A copy of the 2021A Bond Resolution is on file in the office of the secretary of the Board of Finance in Carson City, Nevada for public inspection.

2021B Bonds. The 2021B Bonds are being issued (i) to provide grants for water conservation and capital improvements to certain water systems, (ii) to finance the costs of environmental improvement projects for the Lake Tahoe Basin, and (iii) to pay costs of issuance of the 2021B Bonds. The 2021B Bonds are being issued pursuant to

the Constitution and laws of the State, including the 2021 Capital Improvement Project Act, NRS 349.986, and the Bond Act, and a resolution adopted by the Board of Finance on October 26, 2021 (the “2021B Bond Resolution”). A copy of the 2021B Bond Resolution is on file in the office of the secretary of the Board of Finance in Carson City, Nevada for public inspection.

2021C Bonds. The 2021C Bonds are being issued (i) to finance various projects to protect, preserve and obtain the benefits of the property and natural and cultural resources of the State, and (ii) to pay costs of issuance of the 2021C Bonds. The 2021C Bonds are being issued pursuant to the Constitution and laws of the State, including Chapter 480, Statutes of Nevada, 2019 (the “2019 Project Act”), the 2021 Capital Improvement Project Act, and the Bond Act, and a resolution adopted by the Board of Finance on October 26, 2021 (the “2021C Bond Resolution”). A copy of the 2021C Bond Resolution is on file in the office of the secretary of the Board of Finance in Carson City, Nevada for public inspection.

2021D Bonds. The 2021D Bonds are being issued (i) to finance various projects to protect, preserve and obtain the benefits of the property and natural and cultural resources of the State, and (ii) to pay costs of issuance of the 2021D Bonds. The 2021D Bonds are being issued pursuant to the Constitution and laws of the State, including the 2019 Project Act, the 2021 Capital Improvement Project Act, and the Bond Act, and a resolution adopted by the Board of Finance on October 26, 2021 (the “2021D Bond Resolution”). A copy of the 2021D Bond Resolution is on file in the office of the secretary of the Board of Finance in Carson City, Nevada for public inspection.

2021E Bonds. The 2021E Bonds are being issued to provide state matching funds for the State’s Safe Drinking Water Revolving Fund program and to refund certain outstanding bonds. Proceeds of the 2021E Bonds will be applied by the State (i) to make loans to local governments for public drinking water system projects, (ii) to refund certain outstanding bonds, and (iii) to pay costs of issuance of the 2021E Bonds. The 2021E Bonds are being issued pursuant to the Constitution and laws of the State, including NRS 445A.200 through 445A.295, and the Bond Act, and an authorizing resolution adopted by the Board of Finance on October 26, 2021 and an order of the State Treasurer expected to be adopted on October 26, 2021 (collectively, the “2021E Bond Order”). A copy of the 2021E Bond Order is on file in the office of the secretary of the Board of Finance in Carson City, Nevada for public inspection.

2021F Bonds. The 2021F Bonds are being issued to provide state matching funds for the State’s Water Pollution Control Revolving Fund program. Proceeds of the 2021F Bonds will be applied by the State (i) to make loans to local governments for wastewater treatment and pollution control projects and (ii) to pay costs of issuance of the 2021F Bonds. The 2021F Bonds are being issued pursuant to the Constitution and laws of the State, including NRS 445A.060 through 445A.160, the Bond Act, and an authorizing resolution adopted by the Board of Finance on October 26, 2021 and an order of the State Treasurer expected to be adopted on October 26, 2021 (collectively, the “2021F Bond Order”). A copy of the 2021F Bond Order is on file in the office of the secretary of the Board of Finance in Carson City, Nevada for public inspection.

The 2021A Bond Resolution, the 2021B Bond Resolution, the 2021C Bond Resolution, the 2021D Bond Resolution, the 2021E Bond Order, and the 2021F Bond Order are collectively referred to in this Official Statement as the “Bond Resolutions.”

Plan of Refunding

A portion of the proceeds of the sale of the 2021A Bonds and other lawfully available moneys will be used to refund the selected maturities of outstanding State general obligations bonds described in Schedule I to Part I of this Official Statement on the date of delivery of the Bonds.

A portion of the proceeds of the sale of the 2021E Bonds and other lawfully available moneys will be used to refund the selected maturities of outstanding State general obligations bonds described in Schedule I to Part I of this Official Statement on the date of delivery of the Bonds.

The tables in Schedule I to Part I of this Official Statement describe the maturity dates, outstanding aggregate par amounts, coupons, CUSIP numbers, maturity or redemption dates and redemption prices of the State

general obligation bonds to be refunded (which are collectively referred to as the “Refunded Bonds”). The Refunded Bonds will be paid on the date of delivery of the Bonds and at the redemption prices shown in the tables in Schedule I to Part I.

Sources and Uses of Proceeds of the Bonds

The sources and proposed uses of the proceeds of the Bonds are approximately as follows:

SOURCES	2021A Bonds	2021B Bonds	2021C Bonds	2021D Bonds	2021E Bonds	2021F Bonds
Principal Amount of Bonds	\$	\$	\$	\$	\$	\$
Net Original Issue Premium						
Debt Service Fund Contribution						
TOTAL SOURCES	\$	\$	\$	\$	\$	\$
USES						
New Money Projects						
Redemption of Refunded Bonds						
Costs of Issuance ⁽¹⁾						
TOTAL USES	\$	\$	\$	\$	\$	\$

⁽¹⁾ Represents underwriters’ discount, legal and financing fees, municipal advisory fees, printing costs, rating fees, and other miscellaneous expenses relating to the issuance of the Bonds.

Security for the Bonds

The Bonds are direct general obligations of the State to which the full faith and credit of the State is pledged. The Bonds are payable as to principal and interest from general (ad valorem) taxes levied against all taxable property within the State (except to the extent any other revenues are made available therefor), subject to Nevada constitutional and statutory limitations on the aggregate amount of such taxes. See Part II of this Official Statement “DEBT STRUCTURE—Constitutional Debt Limitation” and “PROPERTY TAXATION—Property Tax Limitations” in Part II of this Official Statement. The tax will be levied annually as necessary until all of the Bonds and the interest thereon are discharged, and will be levied and collected in the same manner and at the same time as other property taxes are levied and collected. All such taxes levied by the State will be deposited in the Consolidated Bond Interest and Redemption Fund in the State Treasury.

State law provides for payment of principal and interest on general obligation bonds from the taxes on deposit in the Consolidated Bond Interest and Redemption Fund in the State Treasury. The State is also permitted by law to apply any other funds that may be available for that purpose to make payments on general obligation bonds. State law further provides that if property tax revenues to the State are not sufficient to pay general obligation bond debt service and if the State has not applied other available funds to such purpose, the Consolidated Bond Interest and Redemption Fund will borrow money from the General Fund to pay general obligation bond debt service, to be repaid from future available property taxes. See “INFORMATION CONCERNING THE STATE OF NEVADA—PROPERTY TAXATION—State Tax Rates for Repayment of General Obligation Bonds” in Part II of this Official Statement. State law includes a permanent appropriation of the taxes levied to repay general obligation bonds for the payment of such principal and interest.

Article 10, Section 2, of the Constitution of the State of Nevada limits the total ad valorem property taxes levied by all overlapping governmental units within the boundaries of any county (i.e., the State, and any county, city, town, school district or special district) to an amount not to exceed five cents per dollar of assessed valuation (\$5 per \$100 of assessed valuation) of the property being taxed. The combined overlapping tax rate is further

limited by statute to \$3.64 per \$100 of assessed valuation. The State's current levy for general obligation debt is \$0.17 per \$100 of assessed valuation. The State Legislature has exempted \$0.02 per \$100 of the \$0.17 per \$100 levied by the State for general obligation bonded indebtedness from this statutory limitation. The overlapping tax rate in all jurisdictions within the State is currently at or below the currently permitted statutory limit. See Table 11 in Part II of this Official Statement. State law provides a priority for taxes levied for the payment of general obligation bonded indebtedness, so that in any year in which the proposed tax rate to be levied by overlapping entities within a county exceeds any rate limitation, a reduction must be made by those entities for purposes other than the payment of general obligation bonded indebtedness. The State has the ability to raise its levy for the general obligation bonds (including both the amount levied by the State and the applicable statutory cap) within the constraints of the Nevada constitutional cap by legislative action. See "INFORMATION CONCERNING THE STATE OF NEVADA—PROPERTY TAXATION—Property Tax Limitations" in Part II of this Official Statement.

State law provides that the faith of the State be pledged and that any law concerning the Bonds, or other municipal securities, taxes or pledged revenues, shall not be repealed, amended or modified in such a manner as to impair adversely any outstanding municipal securities, including the Bonds, until all such securities have been discharged in full or provision for their payment and redemption has been fully made. State law authorizes holders of the Bonds to bring actions, at law or in equity, against the State, the Board of Finance, or other employees or agents of the State, to compel any action required by the State law or in any covenant with bondholders, or to take certain other enumerated actions.

The State does not generally levy ad valorem taxes to pay (a) general obligation bonds that are identified as self-supporting bonds because they are expected to be paid in full from sources other than property taxes (referred to herein as the "self-supporting bonds") or (b) that portion of general obligation bonds that are not identified as self-supporting bonds that is expected to be paid from sources other than property taxes. The currently outstanding self-supporting bonds and bonds that are not self-supporting but partially supported with sources other than property tax are identified in Table 2 of Part II of this Official Statement. These bonds (or self-supporting portions thereof) are expected to be paid from the revenues generated by the applicable program for which the bonds are issued. In the event revenues from such programs are insufficient to pay such bonds, the bonds have the same claim to ad valorem tax receipts as other general obligation bonds of the State.

Primary Source of Payment for the 2021E Bonds and 2021F Bonds

Although the 2021E Bonds and 2021F Bonds are direct general obligations of the State to which the full faith and credit of the State is pledged, the State does not expect to levy ad valorem taxes to pay such Bonds because those Bonds are payable primarily from and secured by other revenues and are categorized as self-supporting bonds.

The 2021E Bonds are payable primarily from and secured by a nonexclusive lien on available amounts on deposit in the Safe Drinking Water Revolving Fund consisting of amounts received from local governments as interest payments (and not principal payments) on State loans to local governments for drinking water system projects on a parity with certain other State general obligation bonds. Part III of this Official Statement includes certain information relating to the Safe Drinking Water Revolving Fund program, the 2021E Bonds and the primary security for the 2021E Bonds. For a summary of the State's Safe Drinking Water Revolving Fund program, see also "DEBT STRUCTURE—Authorized But Unissued General Obligation Bonds—*Authorizations for General Obligation Bonds That Are Categorized as Self-Supporting—Safe Drinking Water Revolving Fund*" in Part II of this Official Statement.

The 2021F Bonds are payable primarily from and secured by a nonexclusive lien on available amounts on deposit in the Water Pollution Control Revolving Fund consisting of amounts received from local governments as interest payments (and not principal payments) on State loans to local governments for wastewater treatment and pollution control projects on a parity with certain other State general obligation bonds. Part IV of this Official Statement includes certain information relating to the Water Pollution Control Revolving Fund program, the 2021F Bonds and the primary security for the 2021F Bonds. For a summary of the State's Water Pollution Control Revolving Fund program, see also "DEBT STRUCTURE—Authorized But Unissued General Obligation Bonds—*Authorizations for General Obligation Bonds That Are Categorized as Self-Supporting—Water Pollution Control Revolving Fund*" in Part II of this Official Statement.

Although available amounts on deposit in the Safe Drinking Water Revolving Fund and the Water Pollution Control Revolving Fund have been sufficient to pay debt service on the State general obligation bonds the respective funds have secured in the past, the State has not covenanted in the various Orders of the State Treasurer or related Resolutions of the Board of Finance authorizing bonds for the programs to limit the principal amounts of bonds issued for the programs, to maintain specified levels of debt service coverage for bonds, to prohibit the creation of liens senior to those securing the 2021E Bonds or 2021F Bonds, to maintain a specified portfolio of borrowers to whom program loans are made, or to otherwise maintain the credit quality of the revenues pledged as security for the 2021E Bonds or 2021F Bonds. Investors should rely on the State's general obligation pledge in making investment decisions relating to the 2021E Bonds and 2021F Bonds.

Summary of Certain Provisions of the Bond Resolutions

The Bond Resolutions include provisions defining certain rights and remedies of the holders of the Bonds and of the State. These include provisions relating to events of default, bondholder rights and remedies upon default, rights of the State to amend or supplement the Bond Resolutions, rights of bondholders to consent to such amendments or supplements, and defeasance of the Bonds, among other things. For a summary of these provisions, see "SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTIONS" in Appendix D of Part I of this Official Statement.

CONTINUING DISCLOSURE UNDERTAKINGS

The State has agreed to certain covenants relating to compliance with Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934, as amended ("SEC Rule 15c2-12"). The State has designated Digital Assurance Certification, L.L.C. ("DAC") as its dissemination agent. See Appendix B of this Part I for the form of Disclosure Dissemination Agent Agreement to be entered into by the State with respect to the Bonds.

In connection with other bonds issued by the State, the State has entered into similar continuous disclosure undertakings pursuant to which the State agrees to provide and file annual financial information and notices of specified material events with respect to the applicable bonds. In addition, in connection with various current and advance refundings, the State has designated the applicable paying agent for the bonds to be defeased or redeemed as its representative for purposes of filing notices of defeasance or redemption with the MSRB.

The State generally offers multiple series of bonds through a single official statement and enters into continuing disclosure arrangements through a single agreement that is applicable to all series of bonds offered under the applicable official statement. In certain instances, one or more series of bonds is secured by revenues that are not available as security for the other series of bonds offered pursuant to the same offering document. It has come to the State's attention that in several financings a continuing disclosure obligation may be applicable to an issue of bonds for which it is not intended, and that is not secured by the revenues with respect to which continuing disclosure information is required. The State has become aware of a limited number of instances of failure to update certain tables, none of which the State believes to be material because the tables update revenue sources that are not available for payment of the issue of bonds for which an update was not provided.

Due to circumstances arising from the global COVID-19 pandemic, the audit of the State's FY 2020 Financial Statements was not completed until May 21, 2021. On March 18, 2021, the State filed a voluntary financial disclosure explaining the delay along with its unaudited FY 2020 Financial Statements. The State filed its audited FY 2020 Financial Statements on June 1, 2021.

The Office of the State Treasurer believes that, except as set forth above, during the past five years the State has complied in all material respects with any prior written continuing disclosure undertaking pursuant to SEC Rule 15c2-12.

INVESTMENT CONSIDERATIONS

The State's ability to pay principal of and interest on the Bonds depends upon numerous factors, many of which are not subject to the control of the State. Described below are certain factors that could materially adversely affect the ability of the State to pay debt service on the Bonds. This description does not purport to be either comprehensive or definitive. The order in which factors are presented is not intended to reflect either the likelihood that a particular event will occur or the relative significance of such an event. Moreover, there may be other factors or considerations associated with an investment in the Bonds in addition to those set forth herein.

Impacts of COVID-19 Pandemic

On February 11, 2020, the World Health Organization (“WHO”) announced the official name for the outbreak of a new disease (“COVID-19”) caused by a strain of novel coronavirus, which has since spread across the globe. The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been declared a pandemic by the WHO. A national emergency was declared by the President of the United States on March 13, 2020 due to the pandemic.

On March 12, 2020, the Governor of the State (the “Governor”) issued an emergency declaration (the “Declaration”) pursuant to State law in response to the outbreak of COVID-19 to, among other actions, activate the State Emergency Operations Center in an effort to provide a more centralized response to the outbreak, and suspend the standard procurement process for the State to allow for a more expedited process to purchase, as necessary, emergency food supplies, services and equipment by the Administrator of the State Purchasing Division. Additionally, to slow the spread of COVID-19, the Governor issued a number of Emergency Directives that instituted social distancing guidelines and stay-at-home orders for various periods of time, with certain exceptions. These guidelines and orders have included avoiding discretionary travel, working or engaging in school from home, cancelling numerous events, avoiding social groups and prohibiting or limiting the operations of certain non-essential businesses, including casinos, concert venues, arenas and stadiums, large conference rooms and meeting halls, retail facilities, bars and restaurants, and other gathering establishments. Currently, pursuant to the Governor’s Emergency Directives 45, 47, 49, and 50, counties with high or substantial transmissions of COVID-19 are required to require mask use in all indoor settings regardless of vaccine status. Emergency directives 49 and 50 allow conventions and events of over 4,000 persons to take place without mask requirements so long as all attendees are required to be fully vaccinated. In September 2021, the Governor signed an emergency regulation to require vaccination for State employees who work with vulnerable populations in State-operated, licensed health care settings or State-operated detention facilities to be fully vaccinated against COVID-19.

The first doses of the COVID-19 vaccine were available in the State on December 14, 2020, and all Nevadans ages 5 and up are eligible for vaccination. According to the State Department of Health and Human Services, as of November 7, approximately 56.5 percent of residents ages 12 and over were fully vaccinated in Nevada.

Economic Impact. The economy of the State and its finances and operations have been significantly impacted by COVID-19. In April 2020, the unemployment rate in the State reached 30.1%, a record high. In FY 2020, most General Fund sources posted decreases compared to FY 2019, as total General Fund revenue declined by 4.9%. See Table 12 in Part II of this Official Statement.

In July 2020, the Governor called a Special Session of the State Legislature to address an anticipated aggregate \$1.2 billion shortfall for fiscal year 2021 caused by the COVID-19 pandemic. The adjustments to the budget for FY 2021 to address the shortfall are discussed under “FINANCIAL INFORMATION – The 31st Special Session of the Legislature” in Part II of this Official Statement.

The State has received Federal funds through the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the American Rescue Plan Act (ARPA). For information about COVID-19-related Federal funding to the State, see “FINANCIAL INFORMATION – COVID-19 Federal Aid” in Part II of this Official Statement. With the significant amount of Federal Funds flowing through the economy and the widespread availability of the COVID-19 vaccine, in FY 2021 actual General Fund revenues (unaudited) resulted in an increase of 9.7% over FY 2020. FY 2021 actual revenues were \$226.2 million (unaudited), or 5.3% above the May 2021

Economic Forum Forecast Adjusted for 2021 Legislative Actions and Court Decisions. Despite the better than expected outcome, the FY 2021 actual revenues were \$121.7 million (unaudited) below the pre-pandemic FY 2021 Legislatively Adjusted Economic Forum Forecast when the initial FY 2021 budget was enacted.

The continuation of the COVID-19 pandemic and ongoing containment and mitigation efforts could have a material adverse effect on the revenues and operations of the State and on the national and global economies. The long-term impact of the pandemic on the State's operations and finances is unknown at this time and will depend on future events outside of the State's control.

Historical data presented in this Official Statement may not predict near term trends accurately in light of the unprecedented and rapidly evolving nature of the COVID-19 pandemic and its economic effects, but the State cannot predict the duration or magnitude of that impact over time.

Risks Related to the U.S. and Global Economies and Geopolitical Uncertainty

The COVID-19 pandemic ended the longest economic expansion in U.S. history in February 2020 and the U.S. entered a recession. The Nevada economy has been impacted as described under “ – Impacts of COVID-19 Pandemic” above. The magnitude and duration of the impact brought on by the COVID-19 pandemic cannot be determined at this time. Furthermore, other economic recessions could occur in the future.

The economy of Nevada is largely dependent upon a tourism industry based upon legalized gaming and related forms of entertainment. The industry represents a significant source of revenues for the State, as well as for Clark County and other local jurisdictions in which gaming companies operate. The economic impacts COVID-19 has had on Nevada's tourism industry have been significant, and it is not known how long these impacts will continue to be felt. In addition, a significant proliferation of casino and other forms of gaming has occurred outside of Nevada, both nationally and internationally, in recent years. The impact of such expansion and proliferation upon Nevada's gaming economy is uncertain. See Part II of this Official Statement, “ECONOMIC AND DEMOGRAPHIC INFORMATION—Gaming and Tourism” for further information.

Risks of Changes in Federal Policy and Federal Funding

The federal government has made changes to federal trade and immigration policy and other policies that could result in reductions in the State's level of federal funding for a variety of social services, healthcare, public safety, transportation, public health, and other federally funded programs. In some cases, the federal government has sought to impose funding conditions based on federal policy goals. Furthermore, the State receives federal financial assistance for specific purposes that are generally subject to review or audit by the grantor agencies. Entitlement to this assistance is generally conditioned upon compliance with the terms of grant agreements and applicable federal regulations, including the expenditure of assistance for allowable purposes. Any disallowance resulting from a review or audit may become a liability of the State.

Affordable Care Act (“ACA”) Risk. Pending legal challenges to the validity of the ACA pose potential risks to billions of dollars of federal funding for the State's Medicaid/Medical Assistance programs administered by the State. The State cannot predict the outcome of the pending legal challenges or appeals, the likelihood that any reductions in federal funding would occur, or the likelihood or substance of any State legislative response.

Federal Shutdown Risk. Federal government shutdowns have occurred in the past and could occur in the future. A lengthy federal government shutdown poses potential direct risks to the State's receipt of revenues from federal sources and could have indirect impacts due to the shutdown's effect on general economic conditions.

Limited Land Available for Property Taxation

There is a very limited amount of land in the State that is currently subject to taxation. Property owned by the federal government is exempt from taxation. In addition, the State Legislature has provided for the exemption of certain types of properties. For instance, property owned by the State and its political subdivisions, or certain enumerated religious, charitable and educational organizations, is exempt. The total land area of the State that is

exempted from property tax is approximately 86.6%. See Part II of this Official Statement, “PROPERTY TAXATION” for further information.

Climate Change and Natural Disasters

The State is subject to unpredictable seismic activity, fires, floods, high winds, landslides, avalanche or other natural disasters and extreme heat. A severe natural disaster, such as an earthquake, fire, flood, high wind event or landslide, could result in substantial damage in the State. In recent decades the State has witnessed increasing temperatures, extreme droughts, loss of snow, increasing evaporative demand (i.e., atmospheric thirst) and a number of large wildfires. As the driest state in the nation, the State is particularly vulnerable to changes in water supply that are expected as temperatures warm in the State and across the West. For information regarding the water supply in the State’s two most populous counties, see Part II of this Official Statement, “ECONOMIC AND DEMOGRAPHIC INFORMATION—Water” for further information.

In March 2019, the State joined the U.S. Climate Alliance and in November 2019, the Governor executed Executive Order 2019-22 which directed State agencies to develop a State Climate Strategy establishing a framework to advance State-wide climate action. With the passage of SB254 in 2019, the State adopted aggressive greenhouse gas (“GHG”) emissions-reduction targets: 28% by 2025, 45% by 2030, and net-zero (near-zero) by 2050. Under current policies and based on the best available science according to the NCI, the State is currently on a path to reduce economy-wide GHG emissions 24% by 2025 (4% short of the 28% goal) and 26% by 2030 (19% short of the 45% goal).

In the summer of 2020, the Governor launched the State of Nevada Climate Initiative (“NCI”). In December, the State released the State Climate Strategy. The 2020 Climate Strategy informs policymaking on how the State will achieve the targets established by SB254 and provides an integrated framework for evaluating climate policies for the State. One component of the State Climate Strategy is a written report entitled “Climate Change in Nevada,” which describes how climate change has already and may continue to impact the State and strategies that can be used to prepare for these changes. The report is available on the NCI website, ClimateAction.nv.gov.

While the impacts of climate change may be managed by the State’s past and future investment in adaptation strategies, the State can give no assurance about the net effects of those strategies and whether the State will be required to take additional adaptive measures.

Loss of Tax Exemption

Interest with respect to the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date that the Bonds were executed and delivered as a result of future acts or omissions of the State in violation of its covenants in the 2021A Bond Resolution with respect to the 2021A Bonds, the 2021B Bond Resolution with respect to the 2021B Bonds, the 2021C Bond Resolution with respect to the 2021C Bonds, the 2021D Bond Resolution with respect to the 2021D Bonds, the 2021E Bond Order and the 2021E Bond Resolution with respect to the 2021E Bonds, or the 2021F Bond Order and the 2021F Bond Resolution with respect to the 2021F Bonds. In addition, future legislative proposals, if enacted into law, may cause interest with respect to the Bonds to be subject, directly or indirectly, to federal income taxation if applied retroactively. See “TAX MATTERS.” Should such an event of taxability occur, neither the 2021A Bonds, the 2021B Bonds, the 2021C Bonds, the 2021D Bonds, the 2021E Bonds, nor the 2021F Bonds are subject to a special prepayment and will remain outstanding until maturity or prior redemption.

Secondary Market for the Bonds

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that any Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse trading history or events or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then-prevailing market conditions. Such prices could be substantially different from the original purchase price.

Limitations on Remedies

The enforceability of the rights and remedies of the Owners and the obligations of the State may become subject to laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; equitable 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; 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 servicing a significant and legitimate public purpose.

Cybersecurity Incident and Risks

The State of Nevada operates a large and complex information technology infrastructure to support internal and external operations. As is the case with any such environment, the threat of cybersecurity incidents is a constant one. These incidents may arise from multiple sources, including unintentional events or actions, intentional insider threat, and deliberate malicious attacks or actions from outside entities. The effect of these threats may include unauthorized access to State systems, data or resources, inappropriate exposure or use of State information, disruption of State services, and damage to State systems. Cybersecurity incidents may be disruptive to operations and could be costly. Preventing such incidents and mitigating measures also can be costly. While the State of Nevada has measures in place to prevent cybersecurity incidents as described under "CYBERSECURITY" in Part II of this Official Statement, the State cannot guarantee that such incidents will not occur.

Ballot Measures

Under the State Constitution, the voters of the State have the ability to propose referenda to modify, approve, or reject all or a part of legislation or propose ballot initiatives to initiate legislation or amend the State Constitution directly. Referenda can be required on legislation through a petition of the voters, or a referendum on new legislation may be required by the Legislature itself. Initiatives are new legislation or amendments to the State Constitution proposed to the Legislature or for voter approval by petition of the voters. A referendum can only approve or disapprove a statute, resolution, or ordinance that was enacted by the State Legislature, Board of County Commissioners, or City Council. Initiatives and referendums are both methods of involving voters directly in the legislative process of government.

According to the Office of the Secretary of State, four initiative measures have qualified for the November 2022 ballot. They are as follows:

- AJR10 -Proposes to amend the Nevada Constitution to prospectively increase the required minimum wage paid to employees.
- SJR8 - Proposes to amend the Nevada Constitution to guarantee equal rights.
- S-01-2020 - Increases the license fee imposed on nonrestricted gaming licensees whose gross revenue from certain gaming activities exceeds \$250,000 per calendar month.
- S-02-2020 - Increases the local school support tax imposed upon the gross receipts of a retailer from the retail sale of tangible personal property.

The Fiscal Analysis Division of the Legislative Counsel Bureau ("LCB") is responsible for the fiscal impact statements of initiative measures and has not provided a fiscal impact statement for AJR10 or SJR8. In January 2020, LCB released fiscal impact statements for S-01-2020 and S-02-2020 stating that if approved, such measures may have a material impact on the General Fund. However, the proponent of the two initiatives has indicated its desire to withdraw the petitions. The Nevada Attorney General has opined that such withdraw will not violate the Nevada Constitution. However, the Secretary of State has stated that the Constitution requires her to submit the measures to the voters in the November 2022 election. It is currently unknown whether such measures will be placed on the ballot and if so, whether voters will approve the measures.

Litigation

The State and its agencies are parties to numerous routine legal proceedings that occur as a consequence of regular government operations. At any given point, there are numerous lawsuits involving State agencies which could, depending on the outcome of the litigation or the terms of a settlement agreement, impact revenue or expenditures of the State. See “STATE LITIGATION” in Part II of this Official Statement for additional details.

Forward-Looking Statements

The statements contained in this Official Statement, including Appendices hereto, that are not purely historical, are forward-looking statements, including statements regarding the State’s expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the State on the date hereof, and the State does not assume any obligation to update any such forward-looking statements except as may be required in its continuing disclosure agreement. The State’s actual results could differ materially from those discussed in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherent subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions of future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the State. Any of such assumptions could be inaccurate and, therefore, there can be no assurances that the forward-looking statements included in this Official Statement will prove to be accurate.

LEGAL MATTERS

The validity of the Bonds is to be approved by Sherman & Howard L.L.C. as Bond Counsel. The approving opinions will be delivered to the State concurrently with the delivery of the Bonds. A copy of the proposed text of the approving opinions of Bond Counsel is set forth in Appendix A to Part I of this Official Statement. Hawkins Delafield & Wood LLP is serving as Disclosure Counsel to the State with respect to the Bonds. Bond Counsel and Disclosure Counsel undertake no responsibility for the accuracy, completeness or fairness of this Official Statement.

ABSENCE OF LITIGATION RELATING TO THE BONDS

No litigation is pending against the State (with service of process on the State having been accomplished) in any federal or state court, nor is the State a party in any administrative proceeding pending before any administrative body, that seeks to restrain or enjoin the sale or delivery of the Bonds or challenges the constitutionality, validity or enforceability of any document or approval necessary to the issuance of the Bonds.

TAX MATTERS

Federal Tax Matters

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described below, 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 of delivery of the Bonds (the “Tax Code”), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. For purposes of this paragraph and the succeeding discussion, “interest” includes the original issue discount on certain of the Bonds only to the extent such original issue discount is accrued as described herein.

The Tax Code imposes several requirements which must be met with respect to the 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 Bonds. These requirements include: (a) limitations as to the use of proceeds of the Bonds; (b) limitations on the extent to which proceeds of the 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 Bonds above the yield on the Bonds to be paid to the United States Treasury. The State will covenant and represent in the Bond Resolutions 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 Bonds from gross income and alternative minimum taxable income under such federal income tax laws in effect on the date of delivery of the Bonds. Bond Counsel's opinion as to the exclusion of interest on the 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 State to comply with these requirements could cause the interest on the 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 State and other certifications furnished to Bond Counsel. Bond Counsel has not undertaken to verify such certifications by independent investigation.

With respect to Bonds that were sold in the initial offering at a discount (the "Discount Bonds"), the difference between the stated redemption price of the Discount Bonds at maturity and the initial offering price of those bonds to the public (as defined in Section 1273 of the Tax Code) will be treated as "original issue discount" for federal income tax purposes and will, to the extent accrued as described below, constitute interest which is excluded from gross income or alternative minimum taxable income under the conditions and subject to the exceptions described in the preceding paragraphs. The original issue discount on the Discount Bonds is treated as accruing over the respective terms of such Discount Bonds on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period from the date of original issue) ending on May 1 and November 1 for the 2021A Bonds, the 2021B Bonds, the 2021C Bonds, and the 2021D Bonds, and February 1 and August 1 for the 2021E Bonds and the 2021F Bonds, with straight line interpolation between compounding dates. The amount of original issue discount accruing each period (calculated as described in the preceding sentence) constitutes interest which is excluded from gross income or alternative minimum taxable income under the conditions and subject to the exceptions described in the preceding paragraphs and will be added to the owner's basis in the Discount Bonds. Such adjusted basis will be used to determine taxable gain or loss upon disposition of the Discount Bonds (including sale or payment at maturity). Owners should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

Owners who purchase Discount Bonds after the initial offering or who purchase Discount Bonds in the initial offering at a price other than the initial offering price (as defined in Section 1273 of the Tax Code) should consult their own tax advisors with respect to the federal tax consequences of the ownership of the Discount Bonds. Owners who are subject to state or local income taxation should consult their tax advisor with respect to the state and local income tax consequences of ownership of the Discount Bonds. It is possible that, under the applicable provisions governing determination of state and local taxes, accrued original issue discount on the Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The Tax Code contains numerous provisions which may affect an investor's decision to purchase the Bonds. Owners of the 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 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 Bonds were sold at a premium, representing a difference between the original offering price of those 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 (and, to the extent described above for the Discount Bonds, original issue discount) on the 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 Bonds. Owners of the 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 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 Bonds, the exclusion of interest (and, to the extent described above for the Discount Bonds, original issue discount) on the Bonds from gross income or alternative minimum taxable income or both from the date of issuance of the 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 Bonds. Owners of the 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 Bonds. If an audit is commenced, the market value of the Bonds may be adversely affected. Under current audit procedures the Service will treat the State as the taxpayer and the Bond owners may have no right to participate in such procedures. The State has covenanted in the Bond Resolutions not to take any action that would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes or lose its exclusion from alternative minimum taxable income for the owners thereof for federal income tax purposes. None of the State, the municipal advisors, any initial purchaser, Bond Counsel or Disclosure Counsel is responsible for paying or reimbursing any Bond holder with respect to any audit or litigation costs relating to the Bonds.

State Tax Exemption

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.

FINANCIAL STATEMENTS

The Annual Comprehensive Financial Report of the State for FY 2020, excluding the Introductory Section and Statistical Section, is included as Appendix A to Part II of this Official Statement. Eide Bailly LLP, certified public accountants and independent auditors for the State, has consented to the inclusion of such Annual Comprehensive Financial Report in this Official Statement. The State's History of General Fund Revenues, Expenditures and Changes in Fund Balances for the five fiscal years ended June 30, 2020, is included as Appendix B to Part II of this Official Statement.

RATINGS

Fitch Ratings, Inc., doing business as Fitch Ratings ("Fitch") and Moody's Investors Service, Inc. ("Moody's") have assigned ratings of "AA+," and "Aa1," respectively, to the Bonds. S&P Global Ratings ("S&P") has assigned a rating of "AA+" to the 2021A Bonds, the 2021B Bonds, the 2021C Bonds, and the 2021D Bonds, and a rating of "AAA" to the 2021E Bonds and the 2021F Bonds. An explanation of the significance of these ratings may be obtained from Fitch at 33 Whitehall Street, New York, New York 10004, from Moody's at 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, and from S&P at 55 Water Street, New York, New York 10041. Such ratings reflect only the views of the rating agencies.

There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies if, in their opinion, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the marketability and market price of the Bonds to which such ratings are applicable.

UNDERWRITING

The 2021A Bonds were sold in a competitive sale on November 16, 2021. The successful bidder for the 2021A Bonds was _____. The aggregate purchase price of the 2021A Bonds is \$_____, being the par amount of the 2021A Bonds plus a net reoffering premium of \$_____ and less an underwriter's discount of \$_____.

The 2021B Bonds were sold in a competitive sale on November 16, 2021. The successful bidder for the 2021B Bonds was _____. The aggregate purchase price of the 2021B Bonds is \$_____, being the par amount of the 2021B Bonds plus a net reoffering premium of \$_____ and less an underwriter's discount of \$_____.

The 2021C Bonds were sold in a competitive sale on November 16, 2021. The successful bidder for the 2021C Bonds was _____. The aggregate purchase price of the 2021C Bonds is \$_____, being the par amount of the 2021C Bonds plus a net reoffering premium of \$_____ and less an underwriter's discount of \$_____.

The 2021D Bonds were sold in a competitive sale on November 16, 2021. The successful bidder for the 2021D Bonds was _____. The aggregate purchase price of the 2021D Bonds is \$_____, being the par amount of the 2021D Bonds plus a net reoffering premium of \$_____ and less an underwriter's discount of \$_____.

The 2021E Bonds were sold in a competitive sale on November 16, 2021. The successful bidder for the 2021E Bonds was _____. The aggregate purchase price of the 2021E Bonds is \$_____, being the par amount of the 2021E Bonds plus a net reoffering premium of \$_____ and less an underwriter's discount of \$_____.

The 2021F Bonds were sold in a competitive sale on November 16, 2021. The successful bidder for the 2021F Bonds was _____. The aggregate purchase price of the 2021F Bonds is \$_____, being the par amount of the 2021F Bonds plus a net reoffering premium of \$_____ and less an underwriter's discount of \$_____.

MUNICIPAL ADVISORS

JNA Consulting Group, LLC and Zions Public Finance are serving as municipal advisors to the State in connection with the Bonds. The municipal advisors have not audited, authenticated or otherwise verified the information set forth in this Official Statement, or any other related information available to the State, with respect to the accuracy and completeness of disclosure of such information, and no guaranty, warranty or other representation is made by the municipal advisors respecting accuracy and completeness of this Official Statement or any other matter related to this Official Statement.

AUTHORIZATION

This Official Statement and its use in connection with the offering and sale of the Bonds have been duly authorized by the State.

STATE OF NEVADA

State Treasurer

[THIS PAGE INTENTIONALLY LEFT BLANK]

PART I

SCHEDULE I

MATURITY SCHEDULES OF REFUNDED BONDS

2021A Bonds. A portion of the proceeds of the 2021A Bonds will be used to current refund the following bonds:

State of Nevada General Obligation (Limited Tax) Capital Improvement, Cultural Affairs and Refunding Bonds, Series 2011A

Maturity (August 1)	Outstanding Aggregate Par Amount	Coupon	CUSIP No. (641461)	Redemption Date	Redemption Price
2022	\$4,780,000	5.000%	RZ3	12/7/2021	100%
2023	1,925,000	5.000	SA7	12/7/2021	100
2024	2,025,000	5.000	SB5	12/7/2021	100
2025	2,125,000	5.000	SC3	12/7/2021	100
2026	2,235,000	5.000	SD1	12/7/2021	100
2027	525,000	4.000	SE9	12/7/2021	100
2027	1,825,000	5.000	SJ8	12/7/2021	100
2028	2,465,000	5.000	SF6	12/7/2021	100
2029	2,590,000	5.000	SG4	12/7/2021	100
2030	2,725,000	5.000	SH2	12/7/2021	100

2021E Bonds. A portion of the proceeds of the 2021E Bonds will be used to current refund the following bonds:

State of Nevada General Obligation (Limited Tax) Safe Drinking Water Act Revolving Fund Marching and Refunding Bonds, Series 2010I

Maturity (August 1)	Outstanding Aggregate Par Amount	Coupon	CUSIP No. (641461)	Redemption Date	Redemption Price
2025	\$1,815,000	4.500%	QH4	12/7/2021	100

[THIS PAGE INTENTIONALLY LEFT BLANK]

PART I

APPENDIX A

FORMS OF APPROVING OPINIONS OF BOND COUNSEL

[THIS PAGE INTENTIONALLY LEFT BLANK]

PART I - APPENDIX A
FORMS OF APPROVING OPINIONS OF BOND COUNSEL

[closing date]

State of Nevada
Capitol Building
101 N. Carson, No. 4
Carson City, Nevada 89701

\$ _____
State of Nevada
General Obligation (Limited Tax)
Capital Improvement and Refunding Bonds
Series 2021A

Ladies and Gentlemen:

We have acted as bond counsel to the State of Nevada (the "State") in connection with the issuance of its General Obligation (Limited Tax) Capital Improvement and Refunding Bonds, Series 2021A, in the aggregate principal amount of \$ _____ (the "Bonds"), pursuant to an authorizing resolution of the Board of Finance of the State adopted on October 26, 2021 (the "Bond Resolution"). In such capacity, we have examined the State's certified proceedings and such other documents and such law of 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 Bond Resolution.

Regarding questions of fact material to our opinions, we have relied upon the State'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 constitute valid and binding limited tax general obligations of the State.
2. All of the taxable property in the State is subject to the levy of annual general (ad valorem) taxes to pay the Bonds, subject to the limitations imposed by the constitution and laws of the State.
3. As provided in the Bond Resolution and in accordance with the provisions of NRS 361.463, taxes levied for the payment of the bonded indebtedness (including the Bonds) of all overlapping units within the boundaries of the State (i.e., the State and each political subdivision therein) and for the payment of interest on such indebtedness enjoy a priority over taxes levied by each such unit (including, without limitation, the State) for all other purposes (subject to any exception implied by law in the exercise of the police power) where reduction is necessary in order to comply with NRS 361.453.
4. 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)(2) of the Tax Code. The opinions expressed in this paragraph assume continuous compliance with the covenants and continued accuracy of the representations contained in the State's certified proceedings and in certain other documents and certain other certifications furnished to us.
5. Under 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 State pursuant to the Bonds and the Bond 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 this opinion letter rendered in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing on the adequacy, accuracy or completeness of the Official Statement or any other statements made in connection with any offer or sale of the Bonds or upon any state or federal 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 rendered 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,

[closing date]

State of Nevada
Capitol Building
101 N. Carson, No. 4
Carson City, Nevada 89701

\$ _____
State of Nevada
General Obligation (Limited Tax)
Natural Resources Bonds
Series 2021B

Ladies and Gentlemen:

We have acted as bond counsel to the State of Nevada (the “State”) in connection with the issuance of its General Obligation (Limited Tax) Natural Resources Bonds, Series 2021B, in the aggregate principal amount of \$ _____ (the “Bonds”), pursuant to an authorizing resolution of the Board of Finance of the State adopted on October 26, 2021 (the “Bond Resolution”). In such capacity, we have examined the State’s certified proceedings and such other documents and such law of 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 Bond Resolution.

Regarding questions of fact material to our opinions, we have relied upon the State’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 constitute valid and binding limited tax general obligations of the State.
2. All of the taxable property in the State is subject to the levy of annual general (ad valorem) taxes to pay the Bonds, subject to the limitations imposed by the constitution and laws of the State.
3. As provided in the Bond Resolution and in accordance with the provisions of NRS 361.463, taxes levied for the payment of the bonded indebtedness (including the Bonds) of all overlapping units within the boundaries of the State (i.e., the State and each political subdivision therein) and for the payment of interest on such indebtedness enjoy a priority over taxes levied by each such unit (including, without limitation, the State) for all other purposes (subject to any exception implied by law in the exercise of the police power) where reduction is necessary in order to comply with NRS 361.453.
4. 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)(2) of the Tax Code. The opinions expressed in this paragraph assume continuous compliance with the covenants and continued accuracy of the representations contained in the State’s certified proceedings and in certain other documents and certain other certifications furnished to us.
5. Under 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 State pursuant to the Bonds and the Bond 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 this opinion letter rendered in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing on the adequacy, accuracy or completeness of the Official Statement or any other statements made in connection with any offer or sale of the Bonds or upon any state or federal 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 rendered 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,

[closing date]

State of Nevada
Capitol Building
101 N. Carson, No. 4
Carson City, Nevada 89701

\$ _____
State of Nevada
General Obligation (Limited Tax) Open Space, Parks
and Natural Resources Bonds
Series 2021C

Ladies and Gentlemen:

We have acted as bond counsel to the State of Nevada (the "State") in connection with the issuance of its General Obligation (Limited Tax) Open Space, Parks and Natural Resources Bonds, Series 2021C, in the aggregate principal amount of \$_____ (the "Bonds"), pursuant to an authorizing resolution of the Board of Finance of the State adopted on October 26, 2021 (the "Bond Resolution"). In such capacity, we have examined the State's certified proceedings and such other documents and such law of 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 Bond Resolution.

Regarding questions of fact material to our opinions, we have relied upon the State'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 constitute valid and binding limited tax general obligations of the State.
2. All of the taxable property in the State is subject to the levy of annual general (ad valorem) taxes to pay the Bonds, subject to the limitations imposed by the constitution and laws of the State.
3. As provided in the Bond Resolution and in accordance with the provisions of NRS 361.463, taxes levied for the payment of the bonded indebtedness (including the Bonds) of all overlapping units within the boundaries of the State (i.e., the State and each political subdivision therein) and for the payment of interest on such indebtedness enjoy a priority over taxes levied by each such unit (including, without limitation, the State) for all other purposes (subject to any exception implied by law in the exercise of the police power) where reduction is necessary in order to comply with NRS 361.453.
4. 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)(2) of the Tax Code. The opinions expressed in this paragraph assume continuous compliance with the covenants and continued accuracy of the representations contained in the State's certified proceedings and in certain other documents and certain other certifications furnished to us.
5. Under 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 State pursuant to the Bonds and the Bond Order 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 this opinion letter rendered in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing upon the adequacy, accuracy or completeness of the Official Statement or any other statements made in connection with any offer or sale of the Bonds or upon any state or federal 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 rendered 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,

[closing date]

State of Nevada
Capitol Building
101 N. Carson, No. 4
Carson City, Nevada 89701

\$ _____
State of Nevada
General Obligation (Limited Tax) Open Space, Parks
and Natural Resources Bonds
Series 2021D

Ladies and Gentlemen:

We have acted as bond counsel to the State of Nevada (the "State") in connection with the issuance of its General Obligation (Limited Tax) Open Space, Parks and Natural Resources Bonds, Series 2021D, in the aggregate principal amount of \$_____ (the "Bonds"), pursuant to an authorizing resolution of the Board of Finance of the State adopted on October 26, 2021 (the "Bond Resolution"). In such capacity, we have examined the State's certified proceedings and such other documents and such law of 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 Bond Resolution.

Regarding questions of fact material to our opinions, we have relied upon the State'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 constitute valid and binding limited tax general obligations of the State.
2. All of the taxable property in the State is subject to the levy of annual general (ad valorem) taxes to pay the Bonds, subject to the limitations imposed by the constitution and laws of the State.
3. As provided in the Bond Resolution and in accordance with the provisions of NRS 361.463, taxes levied for the payment of the bonded indebtedness (including the Bonds) of all overlapping units within the boundaries of the State (i.e., the State and each political subdivision therein) and for the payment of interest on such indebtedness enjoy a priority over taxes levied by each such unit (including, without limitation, the State) for all other purposes (subject to any exception implied by law in the exercise of the police power) where reduction is necessary in order to comply with NRS 361.453.
4. 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)(2) of the Tax Code. The opinions expressed in this paragraph assume continuous compliance with the covenants and continued accuracy of the representations contained in the State's certified proceedings and in certain other documents and certain other certifications furnished to us.
5. Under 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 State pursuant to the Bonds and the Bond Order 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 this opinion letter rendered in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing upon the adequacy, accuracy or completeness of the Official Statement or any other statements made in connection with any offer or sale of the Bonds or upon any state or federal 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 rendered 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,

[closing date]

State of Nevada
Capitol Building
101 N. Carson, No. 4
Carson City, Nevada 89701

\$ _____
State of Nevada
General Obligation (Limited Tax)
Safe Drinking Water Revolving Fund Matching and Refunding Bonds
Series 2021E

Ladies and Gentlemen:

We have acted as bond counsel to the State of Nevada (the “State”) in connection with the issuance of its General Obligation (Limited Tax) Safe Drinking Water Revolving Fund Matching and Refunding Bonds, Series 2021E, in the aggregate principal amount of \$ _____ (the “Bonds”), pursuant to the order of the State Treasurer adopted on November 16, 2021, and an authorizing resolution adopted by the Board of Finance of the State on October 26, 2021 (collectively, the “Bond Order”). In such capacity, we have examined the State’s certified proceedings and such other documents and such law of 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 Bond Order.

Regarding questions of fact material to our opinions, we have relied upon the State’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 constitute valid and binding limited tax general obligations of the State.
2. All of the taxable property in the State is subject to the levy of annual general (ad valorem) taxes to pay the Bonds, subject to the limitations imposed by the constitution and laws of the State.
3. As provided in the Bond Order and in accordance with the provisions of NRS 361.463, taxes levied for the payment of the bonded indebtedness (including the Bonds) of all overlapping units within the boundaries of the State (i.e., the State and each political subdivision therein) and for the payment of interest on such indebtedness enjoy a priority over taxes levied by each such unit (including, without limitation, the State) for all other purposes (subject to any exception implied by law in the exercise of the police power) where reduction is necessary in order to comply with NRS 361.453.
4. The Bonds are additionally secured by and payable from the moneys available therefor in the Revolving Fund. The Bond Order creates a valid lien on the moneys available in the Revolving Fund pledged therein for the security of the Bonds on a parity with the lien thereon of any parity securities outstanding or hereafter issued, and subordinate to any superior securities outstanding or hereafter issued which have a lien on the moneys available in the Revolving Fund superior to the lien thereon securing the Bonds. Moneys in the Revolving Fund received from local governments as repayment of loan principal are not available as security for the Bonds. Except as described in this paragraph, we express no opinion regarding the priority of the lien on the moneys available in the Revolving Fund pledged for the security of the Bonds by the Bond Order.
5. 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)(2) of the Tax Code. The opinions expressed in this paragraph assume continuous compliance with the covenants and

continued accuracy of representations contained in the State's certified proceedings and in certain other documents and certain other certifications furnished to us.

6. Under 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 State pursuant to the Bonds and the Bond Order 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 this opinion letter rendered in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing upon the adequacy, accuracy or completeness of the Official Statement or any other statements made in connection with any offer or sale of the Bonds or upon any state or federal 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 rendered 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,

[closing date]

State of Nevada
Capitol Building
101 N. Carson, No. 4
Carson City, Nevada 89701

\$ _____
State of Nevada
General Obligation (Limited Tax)
Water Pollution Control Revolving Fund Matching Bonds
Series 2021F

Ladies and Gentlemen:

We have acted as bond counsel to the State of Nevada (the “State”) in connection with the issuance of its General Obligation (Limited Tax) Water Pollution Control Revolving Fund Matching Bonds, Series 2021F, in the aggregate principal amount of \$ _____ (the “Bonds”), pursuant to the order of the State Treasurer adopted on November 16, 2021, and an authorizing resolution adopted by the State Board of Finance on October 26, 2021 (collectively, the “Bond Order”). In such capacity, we have examined the State’s certified proceedings and such other documents and such law of 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 Bond Order.

Regarding questions of fact material to our opinions, we have relied upon the State’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 constitute valid and binding limited tax general obligations of the State.
2. All of the taxable property in the State is subject to the levy of annual general (ad valorem) taxes to pay the Bonds, subject to the limitations imposed by the constitution and laws of the State.
3. As provided in the Bond Order and in accordance with the provisions of NRS 361.463, taxes levied for the payment of the bonded indebtedness (including the Bonds) of all overlapping units within the boundaries of the State (i.e., the State and each political subdivision therein) and for the payment of interest on such indebtedness enjoy a priority over taxes levied by each such unit (including, without limitation, the State) for all other purposes (subject to any exception implied by law in the exercise of the police power) where reduction is necessary in order to comply with the limitations of NRS 361.453.
4. The Bonds are additionally secured by and payable from the moneys available therefor in the Revolving Fund. The Bond Order creates a valid lien on the moneys available in the Revolving Fund pledged therein for the security of the Bonds on a parity with the lien thereon of any parity securities outstanding or hereafter issued, and subordinate to any superior securities outstanding or hereafter issued which have a lien on the moneys available in the Revolving Fund superior to the lien thereon securing the Bonds. Moneys in the Revolving Fund received from local governments as repayment of loan principal are not available as security for the Bonds. Except as described in this paragraph, we express no opinion regarding the priority of the lien on the moneys available in the Revolving Fund pledged for the security of the Bonds by the Bond Order.
5. 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)(2) of the Tax Code. The opinions expressed in this paragraph assume continuous compliance with the covenants and

representations contained in the State's certified proceedings and in certain other documents and certain other certifications furnished to us.

6. Under 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 State pursuant to the Bonds and the Bond Order 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 this opinion letter rendered in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing upon the adequacy, accuracy or completeness of the Official Statement or any other statements made in connection with any offer or sale of the Bonds or upon any state or federal 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 rendered 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,

PART I

APPENDIX B

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

[THIS PAGE INTENTIONALLY LEFT BLANK]

DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the “Disclosure Agreement”), dated as of _____, 2021, is executed and delivered by the State of Nevada (the “Issuer”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Filing Date” means the date, set in Section 2(a) and Section 2(f), by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Annual Report” means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

“Audited Financial Statements” means the financial statements (if any) of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Bonds” means the bonds as listed on the attached Exhibit A, with the CUSIP numbers relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice required to be, or the Voluntary Event Disclosure or Voluntary Financial Disclosure elected by the Issuer to be, submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the CUSIP numbers for all Bonds to which the document applies.

“CUSIP number” means, with respect to any Bonds, the 9-character CUSIP number (the nine characters comprising a combination of digits and letters) relating to such Bonds.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

“Disclosure Representative” means the Treasurer of the Issuer or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Failure to File Event” means the Issuer’s failure to file an Annual Report on or before the Annual Filing Date.

“Financial Obligation” as used in this Disclosure Dissemination Agreement is defined in the Rule, as may be amended, as a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a 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 MSRB consistent with the Rule.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Holder” means any person (i) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (ii) treated as the owner of any Bonds for federal income tax purposes.

“Information” means, collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

“Obligated Person” means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities) and who, if other than the Issuer, is identified in this Disclosure Agreement as an Obligated Person.

“Official Statement” means that Official Statement prepared by the Issuer in connection with the Bonds listed on Exhibit A.

“Paying Agent” means the paying agent for the Bonds designated by the Issuer, and its successors and assigns.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(10) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports and Other Disclosures.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than March 31 after the end of each fiscal year of the Issuer, commencing with the fiscal year ended June 30, 2021. Such date and each anniversary thereof is the Annual Filing Date. 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 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit B (with the appropriate CUSIP numbers for the affected Bonds).

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 3:00 p.m. Pacific time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B (with the appropriate CUSIP numbers for the affected Bonds), without reference to the anticipated filing date for the Annual Report.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below, or another category then available) when filing pursuant to Section 4(c) of this Disclosure Agreement:

- 1. “Principal/interest payment delinquency;”

2. “Non-payment related default,” if material;
 3. “Unscheduled draws on debt service reserve reflecting financial difficulties;”
 4. “Unscheduled draws on credit enhancement reflecting financial difficulties;”
 5. “Substitution of credit or liquidity provider, or its failure to perform;”
 6. “Adverse tax opinion or event affecting the tax-exempt status of the security,” if material;
 7. “Modifications to rights of securities holders,” if material;
 8. “Bond call,” if material;
 9. “Defeasance;”
 10. “Release, substitution, or sale of property securing repayment of the security,” if material;
 11. “Rating change;”
 12. “Tender offer/secondary market purchases;”
 13. “Bankruptcy, insolvency, receivership or similar event;”
 14. “Merger/consolidation/acquisition and sale of all or substantially all assets,” if material;
 15. “Successor, additional or change in trustee,” if material;
 16. “Financial obligation – incurrence or agreement,” if material; and
 17. “Financial obligation – event reflecting financial difficulties”
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement (with the appropriate CUSIP numbers for the affected Bonds) with the MSRB, identifying the filing as “Failure to provide annual financial information as required” when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;
- (vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below, or another category then available) when filing pursuant to Section 7(a) of this Disclosure Agreement:
1. “amendment to continuing disclosure undertaking;”
 2. “change in Obligated Person;”
 3. “notice to investor pursuant to bond documents;”
 4. “communication from the Internal Revenue Service;”

5. “bid for auction rate or other securities;”
6. “capital or other financing plan;”
7. “litigation/enforcement action;”
8. “change of tender agent, remarketing agent, or other on-going party;”
9. “derivative or other similar transaction;” and
10. “other event-based disclosures;”

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below, or another category then available) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. “quarterly/monthly financial information;”
2. “change in fiscal year/timing of annual disclosure;”
3. “change in accounting standard;”
4. “interim/additional financial information/operating data;”
5. “budget;”
6. “investment/debt/financial policy;”
7. “information provided to rating agency, credit/liquidity provider or other third party;”
8. “consultant reports;” and
9. “other financial/operating data.”

(viii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

(h) The Paying Agent may deliver notices of redemption or defeasance of Bonds to the Disclosure Dissemination Agent on behalf of the Issuer for filing pursuant to Section 4. Upon receipt of any such notice, the Disclosure Dissemination Agent shall promptly file the text of such notice with the MSRB in accordance with this Disclosure Agreement.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including Audited Financial Statements, if available, and information of the type included in the tables marked with an asterisk in the lists of tables set forth in the Table of Contents pages of the Official Statement.

(b) Audited Financial Statements shall be prepared in accordance with generally accepted accounting principles (“GAAP”). If audited financial statements are not available, then, unaudited financial statements, prepared in accordance with GAAP as described in the Official Statement will be included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer is an Obligated Person, which have been previously filed with the Securities and Exchange Commission or available to the public on the MSRB Internet website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. 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 material events affecting the tax status of the Bonds;
7. Modifications to rights of Bond holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;

11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event identified in subsection (a)(12) of this Section 4, 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 officials 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.

13. 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;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Obligated Person, if material, or 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
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

The Issuer (or the Paying Agent on behalf of the Issuer pursuant to Section 2(h)) shall, in a timely manner not in excess of ten business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the

Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer (or by the Paying Agent on behalf of the Issuer pursuant to Section 2(h)) as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with the MSRB in accordance with Section 2(e)(iv) hereof. The Disclosure Dissemination Agent shall promptly deliver to the Disclosure Representative (and Paying Agent with respect to notices filed at the Paying Agent's direction pursuant to Section 2(h)) evidence of confirmation of such filing with the MSRB.

SECTION 5. CUSIP Numbers.

(a) Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, Notice Event notices, Failure to File Event notices, Voluntary Event Disclosures and Voluntary Financial Disclosures, the Issuer shall indicate the full name of the Bonds and the CUSIP numbers for the Bonds as to which the provided information relates.

(b) The Issuer shall provide timely notification to the Disclosure Dissemination Agent of any new CUSIP numbers in the event new CUSIP numbers are assigned to all or a portion of the Bonds.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the failure of the Disclosure Dissemination Agent to so advise the Issuer shall not constitute a breach by the Disclosure Dissemination Agent of any of its duties and responsibilities under this Disclosure Agreement. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filings.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof.

(c) The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to an issue of the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds of such issue, when the Issuer is no longer an Obligated Person, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty days written notice to the Disclosure Dissemination Agent, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable, until payment in full, for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Disclosure Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer nor the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days prior written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada. The Disclosure Dissemination Agent consents to the jurisdiction of the Nevada district courts for enforcement of this Disclosure Agreement.

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature page follows]

The Disclosure Dissemination Agent and the Issuer have caused this Disclosure Dissemination Agent Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as
Disclosure Dissemination Agent

By: _____
Name: _____
Title: _____

STATE OF NEVADA
as Issuer

By: _____
Name: Zachary B. Conine
Title: State Treasurer

EXHIBIT A
NAME AND CUSIP NUMBERS OF BONDS

\$[]
STATE OF NEVADA
GENERAL OBLIGATION (LIMITED TAX)
CAPITAL IMPROVEMENT AND REFUNDING BONDS
SERIES 2021A

Base CUSIP: _____

Maturity Date <u>(May 1)</u>	Principal <u>Amount</u>	<u>Interest</u> <u>Rate</u>	CUSIP <u>Suffix</u>
---	--	--	--------------------------------------

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

\$[]
STATE OF NEVADA
GENERAL OBLIGATION (LIMITED TAX)
NATURAL RESOURCES BONDS
SERIES 2021B

Base CUSIP: _____

Maturity Date <u>(May 1)</u>	Principal <u>Amount</u>	<u>Interest</u> <u>Rate</u>	CUSIP <u>Suffix</u>
--	-----------------------------------	---------------------------------------	-------------------------------

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

\$[]
STATE OF NEVADA
GENERAL OBLIGATION (LIMITED TAX)
OPEN SPACE, PARKS AND NATURAL RESOURCES BONDS
SERIES 2021C

Base CUSIP: _____

Maturity Date <u>(May 1)</u>	Principal <u>Amount</u>	<u>Interest</u> <u>Rate</u>	CUSIP <u>Suffix</u>
---	--	--	--------------------------------------

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

\$[]
STATE OF NEVADA
GENERAL OBLIGATION (LIMITED TAX)
OPEN SPACE, PARKS AND NATURAL RESOURCES BONDS
SERIES 2021D

Base CUSIP: _____

Maturity Date (May 1)	Principal Amount	<u>Interest</u> Rate	CUSIP Suffix
----------------------------------	-----------------------------	---------------------------------	-------------------------

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

\$[]
STATE OF NEVADA
GENERAL OBLIGATION (LIMITED TAX)
SAFE DRINKING WATER REVOLVING FUND
MATCHING AND REFUNDING BONDS
SERIES 2021E

Base CUSIP: _____

<u>Maturity Date</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>CUSIP</u> <u>Suffix</u>
---	-----------------------------------	--------------------------------	-------------------------------

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

\$[]
STATE OF NEVADA
GENERAL OBLIGATION (LIMITED TAX)
WATER POLLUTION CONTROL REVOLVING
FUND MATCHING BONDS
SERIES 2021F

Base CUSIP: _____

<u>Maturity Date</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>CUSIP</u> <u>Suffix</u>
---	-----------------------------------	--------------------------------	-------------------------------

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

EXHIBIT B
NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer: **State of Nevada**

Name of Bond Issue: **General Obligation (Limited Tax) Capital Improvement and Refunding Bonds, Series 2021A**

General Obligation (Limited Tax) Natural Resources Bonds, Series 2021B

General Obligation (Limited Tax) Open Space, Parks and Natural Resources Bonds, Series 2021C

State of Nevada General Obligation (Limited Tax) Open Space, Parks and Natural Resources Bonds, Series 2021D

State of Nevada General Obligation (Limited Tax) Safe Drinking Water Revolving Fund Matching and Refunding Bonds, Series 2021E

State of Nevada General Obligation (Limited Tax) Water Pollution Control Revolving Fund Matching Bonds, Series 2021F

Date of Issuance: _____, 2021

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Dissemination Agent Agreement between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____.

Dated: _____

Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent, on behalf of the Issuer

cc: Issuer
Obligated Person

PART I

APPENDIX C

BOOK-ENTRY SYSTEM

The information contained in this Appendix has been extracted from a document prepared by DTC, entitled "SAMPLE OFFICIAL STATEMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE."

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered Bonds 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 each series of Bonds, in the aggregate principal amount thereof, 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 an S&P Global Ratings 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 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each 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 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all 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 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 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 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 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the 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 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 the Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the State 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption proceeds on the 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 State 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 nor its nominee, the Paying agent, or the State, 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 State 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 Bonds at any time by giving reasonable notice to the State or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bonds are required to be printed and delivered.

The State may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bonds 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 State believes to be reliable, but the State takes no responsibility for the accuracy thereof. The information contained in the website referred to in the preceding material or in any other website referred to therein is not incorporated by reference in this Official Statement.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

PART I

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTIONS

The following is a summary of certain provisions of the Bond Resolutions establishing certain of the terms and conditions of the Bonds. This summary does not purport to be complete and is qualified in its entirety by reference to the respective Bond Resolutions for a complete statement of the provisions of such Bond Resolutions.

Events of Default Remedies

2021A Bonds, 2021B Bonds, 2021C Bonds and 2021D Bonds

The 2021A Bond Resolution, 2021B Bonds Resolution, 2021C Bond Resolution, and 2021D Bond Resolution do not contain any events of default. State law authorizes holders of their 2021A Bonds, 2021B Bonds, 2021C Bonds, and 2021D Bonds to bring actions, at law or in equity, against the State, the Board of Finance, or other employees or agents of the State, to compel any action required by the State law or in any covenant with bondholders, or to take certain other enumerated actions.

2021E Bonds

The 2021E Bond Order contains the following events of default because the 2021E Bonds are primarily secured by revenues other than property taxes: (1) payment of the principal of any of the 2021E Bonds, or any prior redemption premium due in connection therewith, or both, is not made when the same becomes due and payable, at maturity or otherwise; (2) payment of any installment of interest on the 2021E Bonds is not made when the same becomes due and payable; (3) the State for any reason is rendered incapable of fulfilling its obligations under the 2021E Bond Order; (4) an order or decree is entered by a court of competent jurisdiction with the consent or acquiescence of the State appointing a receiver or receivers for moneys in the Revolving Fund securing the payment of the 2021E Bonds, or if an order or decree having been entered without the consent or acquiescence of the State is not vacated or discharged or stayed on appeal within 60 days after entry; and (5) the State makes any default in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in the 2021E Bonds or in 2021E Bond Order on its part to be performed, and if the default continues for 60 days after written notice specifying the default and requiring the same to be remedied is given to the State by the owners of 10% in principal of the 2021E Bonds then Outstanding.

Upon the happening and continuance of any of the events of default, as provided in the 2021E Bond Order, then and in every case the owner or owners of not less than 10% in principal amount of the 2021E Bonds then Outstanding, including, without limitation, a trustee or trustees therefor, may proceed against the State and its agents, officers and employees to protect and to enforce the rights of any owner of 2021E Bonds under the 2021E Bond Order by mandamus or by other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or for the specific performance of any covenant or agreement contained therein or in an award of execution of any power therein granted for the enforcement of any proper, legal or equitable remedy as the owner or owners may deem most effectual to protect and to enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any owner of any 2021E Bond, or to require the State to act as it if were the trustee of an express trust, or any combination of such remedies. All proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all owners of the 2021E Bonds and any parity securities then Outstanding.

2021F Bonds

The 2021F Bond Order contains the following events of default because the 2021F Bonds are primarily secured by revenues other than property taxes: (1) payment of the principal of any of the 2021F Bonds, or any prior redemption premium due in connection therewith, or both, is not made when the same becomes due and payable, at maturity or otherwise; (2) payment of any installment of interest on the 2021F Bonds is not made when the same

becomes due and payable; (3) the State for any reason is rendered incapable of fulfilling its obligations under the 2021F Bond Order ; (4) an order or decree is entered by a court of competent jurisdiction with the consent or acquiescence of the State appointing a receiver or receivers for moneys in the Revolving Fund securing the payment of the 2021F Bonds, or if an order or decree having been entered without the consent or acquiescence of the State is not vacated or discharged or stayed on appeal within 60 days after entry; and (5) the State makes any default in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in the 2021F Bonds or in the 2021F Bond Order on its part to be performed, and if the default continues for 60 days after written notice specifying the default and requiring the same to be remedied is given to the State by the owners of 10% in principal of the 2021F Bonds then Outstanding.

Upon the happening and continuance of any of the events of default, as provided in the 2021F Bond Order, then and in every case the owner or owners of not less than 10% in principal amount of the 2021F Bonds then Outstanding, including, without limitation, a trustee or trustees therefor, may proceed against the State and its agents, officers and employees to protect and to enforce the rights of any owner of 2021F Bonds under the 2021F Bond Order by mandamus or by other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or for the specific performance of any covenant or agreement contained therein or in an award of execution of any power therein granted for the enforcement of any proper, legal or equitable remedy as the owner or owners may deem most effectual to protect and to enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any owner of any 2021F Bond, or to require the State to act as it if were the trustee of an express trust, or any combination of such remedies. All proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all owners of the 2021F Bonds and any parity securities then Outstanding.

Supplemental Bond Resolutions (references to a percent of Bonds refers to a Percent of Bonds of the particular Series being considered)

2021A Bonds, 2021B Bonds, 2021C Bonds and 2021D Bonds

The Board of Finance may, from time to time, modify, amend, supplement or alter the 2021A Bond Resolution, the 2021B Bond Resolution, the 2021C Bond Resolution or the 2021D Bond Resolution without the consent of, or notice to any of the Owners of the applicable series of Bonds for any one or more of the following purposes: (1) to add to the agreements of the Board of Finance or the State contained in the Bond Resolution, other agreements thereafter to be observed or to surrender, restrict or limit any right or power therein reserved to or conferred upon the Board of Finance or the State; (2) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Bond Resolution, or in regard to matters or questions arising under the Bond Resolution, as the Board of Finance may deem necessary or desirable and not inconsistent with the Bond Resolution; (3) to grant to or confer any additional rights, remedies, powers or authorities that may be lawfully granted to or conferred upon the Owner of the Bonds; (4) to evidence the appointment of successors to any depositories, custodians, Paying Agent(s) or Bond Registrar(s); or (5) to make any other change which will not have a material adverse effect on the interests of the Owners of the Bonds.

The Board of Finance may, from time to time, modify, amend, alter, or supplement the 2021A Bond Resolution, the 2021B Bond Resolution, the 2021C Bond Resolution or the 2021D Bond Resolution other than as provided in the preceding paragraph; provided that the Board of Finance shall receive the written consent of the Owners of not less than 51% of the Bonds of the applicable series then Outstanding; provided, however, that no such supplemental proceedings shall: (1) extend the maturity date or due date of any mandatory sinking fund redemption with respect to any Bond outstanding under the applicable Bond Resolution; (2) reduce or extend the time of payment of the principal of, redemption premium or interest on any Bond outstanding under the applicable Bond Resolution; (3) reduce any premium payable upon the redemption of any Bond outstanding, or advance the date upon which any Bond outstanding may first be called for redemption prior to its stated maturity date under the applicable Bond Resolution; (4) give to any Bond or Bonds a preference over any other Bond or Bonds; or (5) reduce the percentage of Bonds the Owners of which are required to consent to any proceedings amending or supplementing the provisions of the applicable Bond Resolution.

2021E Bonds and 2021F Bonds

The 2021E Bond Order and the 2021F Bond Order may be amended or supplemented by instruments adopted by the State Treasurer, without receipt by the State of any additional consideration, but with the written consent of the insurer of the 2021E Bonds or 2021F Bonds, as applicable, if any, or a majority of the Bondholders at the time of the adoption of the amendatory or supplemental instrument, excluding holders of the 2021E Bonds or the 2021F Bonds which may then be held or owned for the account of the State. No such instrument shall permit: (1) a change in the maturity or in the terms of redemption of the principal or any installment thereof of any Outstanding 2021E Bond or Outstanding 2021F Bond or any installment of interest thereon; (2) a reduction in the principal amount of any 2021E Bond or 2021F Bond or the rate of interest thereon; (3) the establishment of priorities as between the 2021E Bond issued and Outstanding under the provisions of the 2021E Bond Order or between the 2021F Bond issued and Outstanding under the provisions of the 2021F Bond Order, as applicable; or (4) the modification of, or other action which materially and prejudicially affects the rights or privileges of the Bondholder.

Defeasance

When all Bond Requirements of any Bond have been duly paid, the pledge and lien and all obligations under the applicable Bond Resolution shall thereby be discharged and such Bond shall no longer be deemed to be outstanding within the meaning of the applicable Bond Resolution. There shall be deemed to be such due payment of any Bond if the State has placed in irrevocable escrow an amount sufficient (including the known minimum yield available for such purpose from Federal Securities, as defined in NRS 349.174, in which such amount wholly or in part may be initially invested) to meet all Bond Requirements of the Bond, as the same become due to the final maturity date of the Bond or upon any prior redemption date as of which the State shall have exercised or shall have obligated itself to exercise its prior redemption option by call of the Bond for payment then. The Federal Securities shall become due before the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the State and the trust 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 availability as needed to meet the schedule.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]

PART I

APPENDIX E

OFFICIAL NOTICE OF BOND SALE

\$119,485,000*	\$12,505,000*	\$7,485,000*
State of Nevada	State of Nevada	State of Nevada
General Obligation (Limited Tax)	General Obligation (Limited Tax)	General Obligation (Limited Tax)
Capital Improvement and	Natural Resources Bonds	Open Space, Parks and Natural
Refunding Bonds	Series 2021B	Resources Bonds
Series 2021A		Series 2021C
\$6,470,000*	\$5,970,000*	\$4,600,000*
State of Nevada	State of Nevada	State of Nevada
General Obligation (Limited Tax)	General Obligation (Limited Tax)	General Obligation (Limited Tax)
Open Space, Parks and Natural	Safe Drinking Water Revolving Fund	Water Pollution Control Revolving
Resources Bonds	Matching and Refunding Bonds	Fund Matching Bonds
Series 2021D	Series 2021E	Series 2021F

PUBLIC NOTICE IS HEREBY GIVEN that the State Treasurer of the State of Nevada, on behalf of the State Board of Finance (the “State Treasurer,” the “State” and the “Board of Finance,” respectively), on

Tuesday, November 16, 2021

at the hour of 8:00 a.m., Pacific Standard time the 2021A Bonds
at the hour of 8:00 a.m., Pacific Standard time the 2021B Bonds
at the hour of 8:30 a.m., Pacific Standard time the 2021C Bonds
at the hour of 8:30 a.m., Pacific Standard time the 2021D Bonds
at the hour of 9:00 a.m., Pacific Standard time the 2021E Bonds
at the hour of 9:00 a.m., Pacific Standard time the 2021F Bonds

in the Office of the State Treasurer of the State of Nevada
Capitol Building, Number 4
101 North Carson Street
Carson City, Nevada 89701-4786

will receive and publicly open and receive bids electronically through an electronic bidding service offered by Ipreo/Parity® (“PARITY”) at www.newissuehome.i-deal.com, for the purchase of the above-captioned bonds (collectively, the "Bonds"), particularly described below. Bids must be delivered electronically to the State Treasurer on or before the time designated above for each series of Bonds (or at such other date and time as is announced via PARITY, Thomson Municipal News or Bloomberg Financial Markets (“Bloomberg”) with no minimum information restrictions for any of the series of Bonds).

* Preliminary, subject to change.

BOND PROVISIONS

The Bonds

The Bonds are designated, respectively, as follows: (1) State of Nevada General Obligation (Limited Tax) Capital Improvement and Refunding Bonds, Series 2021A, in an aggregate principal amount of \$119,485,000* (the “2021A Bonds”); (2) State of Nevada General Obligation (Limited Tax) Natural Resources Bonds, Series 2021B, in an aggregate principal amount of \$12,505,000* (the “2021B Bonds”); (3) State of Nevada General Obligation (Limited Tax) Open Space, Parks and Natural Resources Bonds, Series 2021C, in an aggregate principal amount of \$7,485,000* (the “2021C Bonds”); (4) State of Nevada General Obligation (Limited Tax) Open Space, Parks and Natural Resources Bonds, Series 2021D, in an aggregate principal amount of \$6,470,000* (the “2021D Bonds”); (5) State of Nevada General Obligation (Limited Tax) Safe Drinking Water Matching and Refunding Bonds, Series 2021E, in an aggregate principal amount of \$5,970,000* (the “2021E Bonds”); and (6) State of Nevada General Obligation (Limited Tax) Water Pollution Control Revolving Fund Matching Bonds, Series 2021F, in an aggregate principal amount of \$4,600,000* (the “2021F Bonds” and together with the 2021A Bonds, the 2021B Bonds, the 2021C Bonds, the 2021D Bonds and the 2021E Bonds, the “Bonds”). The Bonds will be dated as of their date of delivery. The Bonds will be issued in fully registered form in denominations of \$5,000 and integral multiples thereof. The Bonds will be issued by means of a book-entry system with no physical distribution of Bonds to the public. See the caption “Book - Entry/Transfer and Exchange” below, and see the Preliminary Official Statement relating to the Bonds for a more complete description of the Bonds.

Maturities

Unless a bidder elects to designate one or more term bonds as provided below under “Prior Redemption - *Mandatory Sinking Fund Redemption*,” the Bonds will mature serially on May 1 (with respect to the 2021A Bonds, the 2021B Bonds, 2021C and 201D Bonds) and August 1 (with respect to the 2021E Bonds and the 2021F Bonds) of the years and in the amounts designated in the maturity schedules (the “Maturity Schedules”) set forth in the Preliminary Official Statement dated November 8, 2021 relating to the Bonds (the “Preliminary Official Statement”). The principal amounts set forth in each Maturity Schedule will be subject to adjustment as described below under the caption “Adjustment of Maturities after Determination of Best Bid.”

BIDDERS ARE ADVISED THAT REVISED MATURITY SCHEDULES MAY BE RELEASED VIA PARITY, THOMSON MUNICIPAL NEWS OR BLOOMBERG PRIOR TO THE BID OPENING.

Adjustment of Maturities after Determination of Best Bid

The aggregate principal amount and the principal amount of each maturity of each series of Bonds are subject to adjustment by the State, after the determination of the best bid. Changes to be made will be communicated to the successful bidder by time of the written award of the Bonds and:

(i) will not reduce or increase the principal amount of each series of the 2021A Bonds and the 2021B Bonds maturing in any year from the principal amounts shown in the respective Maturity Schedules (or each maturity of each series of 2021A Bonds and the 2021B Bonds) by more than \$500,000 or ten percent (10%) of such amounts, whichever is greater with respect to the 2021A Bonds and the 2021B Bonds and/or

* Preliminary, subject to change.

(ii) will not reduce or increase the principal amount of each series of the 2021C Bonds, the 2021D Bonds, the 2021E Bonds and the 2021F Bonds maturing in any year from the principal amounts shown in the respective Maturity Schedules (or each maturity of each series of 2021C Bonds, the 2021D Bonds, the 2021E Bonds and the 2021F Bonds) by more than \$100,000 or ten percent (10%) of such amounts, whichever is greater, with respect to the 2021C Bonds, the 2021D Bonds, the 2021E Bonds and the 2021F Bonds.

The State may change the price to be paid for each series of Bonds (i.e., par less any discount bid or plus any premium bid) by a successful bidder as described below, but the interest rates specified by the successful bidder for all maturities will not change. A successful bidder may not withdraw its bid as a result of changes made within these limits. The price to be paid for the series of Bonds will be changed so that the percentage net compensation to the successful bidder (i.e., the percentage resulting from dividing (i) the aggregate difference between the offering price of the series of Bonds to the public and the price to be paid to the State, less any bond insurance premium to be paid by the bidder, by (ii) the principal amount of the series of Bonds) does not increase or decrease from what it would have been if no adjustment was made to the principal amounts shown in the respective Maturity Schedules.

To facilitate any adjustment in the principal amounts, the successful bidder(s) is required to indicate by electronic mail to Jeff Landerfelt (OSTdebt@nevadatreasurer.gov), Andrew Artusa (andrew.artusa@zionsbank.com) and Martin Johnson (marty@jnaconsultinggroup.com) no later than one-half hour after the time of the bid opening, the amount of any original issue premium or discount on each maturity of the series of Bonds, the amount received from the sale of the series of Bonds to the public that will be retained by the successful bidder as its compensation, and in the case of a bid submitted with bond insurance, the amount of the insurance premium. A bidder who intends to insure a series of Bonds shall also state, in that electronic mail, whether the amount of the insurance premium will change as a result of changes in the principal amount of the series of Bonds and the method used to calculate any such change in the insurance premium.

Prior Redemption

Optional Redemption – 2021A Bonds. The 2021A Bonds or portions thereof in authorized denominations, maturing on and after May 1, 2032, will be subject to optional redemption prior to their respective maturities, without premium, at the option of the State, as directed by the State Treasurer or designee, on and after May 1, 2031, in whole or in part at any time from any maturities selected by the State Treasurer or designee and by lot within a maturity, at a redemption price equal to 100% of the principal amount of each such 2021A Bond or portion thereof to be redeemed, plus accrued interest thereon to the redemption date.

No Optional Redemption – 2021B Bonds. The 2021B Bonds will not be subject to optional redemption at the option of the State prior to their maturities.

Optional Redemption – 2021C Bonds. The 2021C Bonds or portions thereof in authorized denominations, maturing on and after May 1, 2032, will be subject to optional redemption prior to their respective maturities, without premium, at the option of the State, as directed by the State Treasurer or designee, on and after May 1, 2031, in whole or in part at any time from any maturities selected by the State Treasurer or designee and by lot within a maturity, at a redemption price equal to 100% of the principal amount of each such 2021C Bond or portion thereof to be redeemed, plus accrued interest thereon to the redemption date.

Optional Redemption – 2021D Bonds. The 2021D Bonds or portions thereof in authorized denominations, maturing on and after May 1, 2032, will be subject to optional redemption prior to their

respective maturities, without premium, at the option of the State, as directed by the State Treasurer or designee, on and after May 1, 2031, in whole or in part at any time from any maturities selected by the State Treasurer or designee and by lot within a maturity, at a redemption price equal to 100% of the principal amount of each such 2021D Bond or portion thereof to be redeemed, plus accrued interest thereon to the redemption date.

Optional Redemption – 2021E Bonds. The 2021E Bonds or portions thereof in authorized denominations, maturing on and after August 1, 2032, will be subject to optional redemption prior to their respective maturities, without premium, at the option of the State, as directed by the State Treasurer or designee, on and after August 1, 2031, in whole or in part at any time from any maturities selected by the State Treasurer or designee and by lot within a maturity, at a redemption price equal to 100% of the principal amount of each such 2021E Bond or portion thereof to be redeemed, plus accrued interest thereon to the redemption date.

No Optional Redemption – 2021F Bonds. The 2021F Bonds will not be subject to optional redemption at the option of the State prior to their maturities.

Extraordinary Mandatory Redemption – 2021E Bonds. The 2021E Bonds are subject to extraordinary redemption in the event proceeds of the 2021E Bonds are not spent by certain deadlines. Federal tax law requires that 30 percent of the net proceeds of the 2021E Bonds to be used to make loans to local governments within one year of the date of issuance of the 2021E Bonds and 95% of the net proceeds of the 2021E Bonds to be used for that purpose within three years of the date of issue of the 2021E Bonds. The State expects to meet these requirements, but if it does not, in order to preserve the federal tax exemption for interest on the 2021E Bonds, an amount equal to the shortfall will be used to redeem 2021E Bonds in authorized denominations at a price equal to the principal of each 2021E Bond to be redeemed plus accrued interest to the redemption date. The 2021E Bonds to be redeemed will be selected by lot in such manner as the bond registrar may determine. The redemption date will be a date not later than ninety days following the one-year or three-year period, as applicable, described above.

Extraordinary Mandatory Redemption – 2021F Bonds. The 2021F Bonds are subject to extraordinary redemption in the event proceeds of the 2021F Bonds are not spent by certain deadlines. Federal tax law requires that 30 percent of the net proceeds of the 2021F Bonds to be used to make loans to local governments within one year of the date of issuance of the 2021F Bonds and 95% of the net proceeds of the 2021F Bonds to be used for that purpose within three years of the date of issue of the 2021F Bonds. The State expects to meet these requirements, but if it does not, in order to preserve the federal tax exemption for interest on the 2021F Bonds, an amount equal to the shortfall will be used to redeem the 2021F Bonds in authorized denominations at a price equal to the principal of each 2021F Bond to be redeemed plus accrued interest to the redemption date. The 2021F Bonds to be redeemed will be selected by lot in such manner as the bond registrar may determine. The redemption date will be a date not later than ninety days following the one-year or three-year period, as applicable, described above.

Mandatory Sinking Fund Redemption – 2021A Bonds, 2021C Bonds, 2021D Bonds and 2021E Bonds. A bidder for any series of the 2021A Bonds, 2021C Bonds and 2021D Bonds may request that a series of the 2021A Bonds, 2021C Bonds and/or 2021D Bonds maturing on and after May 1, 2032 be included in one or more term bonds. A bidder may request that the 2021E Bonds maturing on and after August 1, 2032 be included in one or more term bonds. A bidder may not request that any 2021B Bonds or 2021F Bonds be included in one or more term bonds. Amounts included in a single term bond must consist of consecutive maturities of a series of Bonds, must bear the same rate of interest and must include the entire principal amount for any maturity included in the term bond (*i.e.*, the principal amount maturing in any year may not be divided between a serial maturity and a mandatory sinking fund redemption). Any such term bond will be subject to mandatory sinking fund redemption in installments

in the same amounts and on the same dates as the series of Bonds would have matured if they were not included in a term bond or bonds. Bonds redeemed pursuant to the mandatory sinking fund redemption provisions will be redeemed at a redemption price equal to the principal amount of the series of Bonds to be redeemed plus accrued interest to the redemption date in the manner and as otherwise provided in respective Bond Resolutions (as defined below). Any election to designate Bonds as being included in a term bond must be made electronically. See the caption “TERMS OF SALE - Bid Proposal” herein.

Notice of Redemption. Notice of redemption, unless waived, will be given as provided in the Bond Resolutions at least 20 days and not more than 60 days prior to the date fixed for redemption to be redeemed in the manner and upon the conditions to be provided in the Bond Resolutions.

Interest Rates and Limitations

The following interest limitations are applicable:

A. Interest on the 2021A Bonds, the 2021B Bonds, the 2021C Bonds and the 2021D Bonds will be payable on May 1, 2022, and semiannually thereafter on May 1 and November 1 in each year.

B. Interest on the 2021E Bonds and 2021F Bonds will be payable on February 1, 2022, and semiannually thereafter on February 1 and August 1 in each year.

C. The interest rate specified for any Bond and the “true interest cost” (see “TERMS OF SALE - Basis of Award” below) for a series of Bonds may not exceed by more than 3% the “Index of Twenty Bonds” which is most recently published in The Bond Buyer before the bids are received.

D. Only one interest rate can be stated for any maturity of a series of Bonds, *i.e.*, all Bonds of the same series with the same maturity date must bear the same rate of interest.

E. Each Bond as initially issued will bear interest from its date to its stated maturity date at the interest rate stated in the bid. A zero (0) rate of interest may not be named.

It is permissible to bid different interest rates for the Bonds, but only as stated in the bid and subject to the above limitations.

Bond Insurance / Rating Letters

The Bonds may be insured at bidder’s option and expense. The State will pay for the ratings on the Bonds from Moody’s Investors Service, S&P Global Ratings and Fitch Ratings.

Book-Entry/Transfer and Exchange

The Bonds will be issued in registered form and a bond certificate for each maturity of each series will be issued to The Depository Trust Company, New York, New York (“DTC”), registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Bonds, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The successful bidders, as a condition to delivery of the Bonds, will be required to deposit the Bond certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable by

U.S. Bank National Association, as Paying Agent (the “Paying Agent”), by wire transfer or in same day funds to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to the beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. Neither the State nor the Paying Agent will be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

Security and Payment

The Bonds will be limited tax general obligations of the State, payable as to principal and interest from annual general (ad valorem) taxes (the “Taxes”) levied against all taxable property within the State (except to the extent any other moneys are made available therefor), subject to the limitations imposed by the statutes and the Constitution of the State. The 2021E Bonds are also secured by a nonexclusive lien on available moneys in the Safe Drinking Water Revolving Fund, as more fully provided in the 2021E Bond Order (defined below), and the 2021F Bonds are also secured by a nonexclusive lien on available moneys in the Water Pollution Control Revolving Fund, as more fully provided in the 2021F Bond Order (defined below).

Bond Resolutions

Copies of the resolution of the Board of Finance authorizing the issuance of the 2021A Bonds (the “2021A Bond Resolution”), the resolution of the Board of Finance approving the issuance of the 2021B Bonds (the “2021B Bond Resolution”), the resolution of the Board of Finance approving the issuance of the 2021C Bonds (the “2021C Bond Resolution”), the resolution of the Board of Finance approving the issuance of the 2021D Bonds (the “2021D Bond Resolution”), an order of the State Treasurer and the resolution of the Board of Finance approving the issuance of the 2021E Bonds (the “2021E Bond Order”) and an order of the State Treasurer and the resolution of the Board of Finance approving the issuance of the 2021F Bonds (the “2021F Bond Order” and together with the 2021A Bond Resolution, the 2021B Bond Resolution, the 2021C Bond Resolution, the 2021D Bond Resolution and the 2021E Bond Order, the “Bond Resolutions”) are available for public inspection at the office of the Secretary of the State Board of Finance in Carson City, Nevada.

The Bond Resolutions provide, among other matters, the form, terms, and conditions of the Bonds, the manner and terms of their issuance, the manner of their execution, the method of their payment and the security therefor, and reference to the Bond Resolutions is made for further detail.

Federal and State Tax Exemption

In the opinion of Sherman & Howard L.L.C., Bond Counsel for the Bonds, assuming continuous compliance with certain covenants described in the Final Official Statement, interest on such 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 Bonds (the “Tax Code”), and is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code.

Furthermore, in the opinion of Bond Counsel, under present law, the respective 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 Nevada Revised Statutes and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of Nevada Revised Statutes.

A copy of each of the proposed forms of bond counsel opinions is attached to Part I of the Preliminary Official Statement relating to the Bonds as Appendix A.

TERMS OF SALE

Equal Opportunity

IT IS THE POLICY OF THE STATE TO PROVIDE MINORITY BUSINESS ENTERPRISES, WOMEN BUSINESS ENTERPRISES AND ALL OTHER BUSINESS ENTERPRISES AN EQUAL OPPORTUNITY TO PARTICIPATE IN THE PERFORMANCE OF ALL STATE CONTRACTS. BIDDERS ARE REQUESTED TO ASSIST THE STATE IN IMPLEMENTING THIS POLICY BY TAKING ALL REASONABLE STEPS TO ENSURE THAT ALL AVAILABLE BUSINESS ENTERPRISES, INCLUDING MINORITY AND WOMEN BUSINESS ENTERPRISES, HAVE AN EQUAL OPPORTUNITY TO PARTICIPATE IN STATE CONTRACTS.

Bid Proposals

Bids are required to be submitted electronically, as described below. Any bidder is required to submit an unconditional and written bid for all the Bonds of a series specifying:

- (1) The lowest rate or rates of interest at which the bidder will purchase all of a series of Bonds; and
- (2) Whether the bidder intends to designate term bonds (with respect to the Bonds described above under “Prior Redemption—Mandatory Sinking Fund Redemption”) and the maturities affected thereby.

It is also requested for informational purposes only, but it is not required, that each bid disclose:

- (3) The “true interest cost” (i.e., actuarial yield) on the Bonds of a series stated as a nominal annual percentage rate. See the caption “--Basis of Award” below.

Solely as an accommodation to the bidders, the State Treasurer will receive bids delivered electronically through PARITY. Each bidder submitting an electronic bid is solely responsible for all arrangements with PARITY.

By submitting a bid with PARITY, an electronic bidder represents and warrants to the State that such bidder’s bid for the purchase of a series of Bonds is submitted for and on behalf of such bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of that series of Bonds. Once the bids are communicated electronically to the State, each bid will constitute an irrevocable offer to purchase the series of Bonds on the terms provided therein and in accordance with the terms of this Official Notice of Bond Sale.

The State Treasurer does not endorse or encourage the use of PARITY, and PARITY is not acting as an agent of the State Treasurer. The State Treasurer is not responsible for ensuring or verifying bidder compliance with PARITY’s procedures. The State Treasurer is not responsible for, and each bidder expressly assumes the risk of and responsibility for, any incomplete, inaccurate or untimely bid submitted by such bidder and is not liable for any damages caused by PARITY. Bidders must obtain instructions for submitting electronic bids from PARITY. If any provision of this Official Notice of Bond Sale conflicts with information provided by PARITY, this Official Notice of Bond Sale, together with any amendments thereto issued by public wire, will control.

Premium Required

2021A Bonds. A bidder must offer to purchase the 2021A Bonds with a premium of not less than \$465,000. A discount may not be bid.

2021B Bonds. A bidder must offer to purchase the 2021B Bonds with a premium of not less than \$132,000. A discount may not be bid.

2021C Bonds. A bidder must offer to purchase the 2021C Bonds with a premium of not less than \$90,000. A discount may not be bid.

2021D Bonds. A bidder must offer to purchase the 2021D Bonds with a premium of not less than \$88,000. A discount may not be bid.

2021E Bonds. A bidder must offer to purchase the 2021E Bonds with a premium of not less than \$103,000. A discount may not be bid.

2021F Bonds. A bidder must offer to purchase the 2021F Bonds with a premium of not less than \$92,000. A discount may not be bid.

Good Faith Deposit

In order to be considered, each bid must be accompanied by a good faith deposit (the “Deposit”) in the form of a certified, treasurer’s or cashier’s check drawn on a solvent commercial bank or trust company in the United States of America, or a wire transfer, made payable to:

State of Nevada

in an amount equal to:

\$2,000,000 with respect to the 2021A Bonds
\$50,000 with respect to the 2021B Bonds
\$80,000 with respect to the 2021C Bonds
\$70,000 with respect to the 2021D Bonds
\$50,000 with respect to the 2021E Bonds
\$50,000 with respect to the 2021F Bonds

Bidders submitting a Deposit by check or wire transfer may, but are not required to, submit a check or wire transfer prior to the bid opening. If a check is used, it must be delivered to the State Treasurer within 90 minutes following notification to the bidder or bidders of the bid award for the applicable series of Bonds. If a wire transfer is used by any bidder, then such bidder using a wire transfer is required to submit its Deposit to the State Treasurer in the form of a wire transfer in the above amount for such applicable series of Bonds as instructed by the State Treasurer or one of its Municipal Advisors (identified under the caption “Information” below) not later than 90 minutes following such notification of the bid award. Each series of Bonds will not be officially awarded to a bidder who has not submitted a Deposit, as provided above, until such time as the bidder has provided a Federal wire reference number for the Deposit to one of the State’s Municipal Advisors.

No interest on the Deposit will accrue to any bidder. The Deposit (without accruing interest) of the winning bidder will be applied to the purchase price of the applicable series of Bonds. In the event the winning bidder fails to honor its accepted bid, the Deposit plus any interest accrued on the Deposit will be retained by the State. Any investment income earned on the Deposit will not be credited to the successful bidder on the purchase price of the series of Bonds, but will be paid to the successful bidder in the event the State is unable to deliver the series of Bonds as provided under “Manner and Time of Delivery” below. Checks accompanying bids other than the bid which is accepted will be returned promptly upon the determination of the best bid.

CUSIP Numbers and Other Fees

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of, and payment for, the Bonds in accordance with the terms hereof. All expenses relating to printing CUSIP numbers on the Bonds, if required, will be paid by the State, but the CUSIP Service Bureau charge for the assignment of the numbers shall be the responsibility of and shall be paid by the respective purchasers. The successful bidders shall also be required to pay all fees required by DTC, the Bond Market Association, the Municipal Securities Rulemaking Board, and any other similar entity imposing a fee in connection with the execution and delivery of the Bonds of each series.

Sale Reservations

The State reserves the privilege:

- A. Of waiving any irregularity or informality in any bid;
- B. Of rejecting any and all bids; and
- C. Of reoffering the Bonds for sale, as provided by law.

Basis of Award

The Bonds of each series, subject to such sale reservations and ratification by the State Treasurer, will be sold to the responsible bidder making the best bid for all the Bonds of such series based on the applicable Maturity Schedule, notwithstanding any change in maturities made after the bid opening as described under “Adjustment of Maturities after Determination of Best Bid” above. The best bid for each series of Bonds will be determined by computing the True Interest Cost of the Bonds (*i.e.*, using an actuarial or true interest cost method) for each bid received and an award will be made (if any is made) to the responsible bidder submitting the bid that results in the lowest True Interest Cost on a series of Bonds. “True Interest Cost” of the Bonds as used in this paragraph means that yield which if used to compute the present worth as of the dated date of the series of Bonds of all payments of principal and interest to be made on the series of Bonds from their dated date to their respective maturity dates (or, in the case of a term bond, their mandatory redemption dates), using the principal amounts set forth in the applicable Maturity Schedule and the interest rates specified in the bid, produces an amount equal to the principal amount of the series of Bonds plus any the premium bid. No adjustment shall be made in such calculation for accrued interest, if any, on the series of Bonds from their date to the date of delivery thereof. Such calculation shall be based on a 360-day year and a semiannual compounding interval. If there are two or more equal bids for the Bonds of a series and such equal bids are the best bids received, the State Treasurer will determine which bid will be accepted.

Place and Time of Award

The State will cause the bids submitted for each series of Bonds to be opened at the time and place hereinabove stated unless a notice is issued via Thomson Municipal News or Bloomberg prior to the bid opening for any series of Bonds. The State will take action awarding the Bonds of a series or rejecting all bids for a series not later than 36 hours after the time herein stated for opening bids for such series, and a bidder may not withdraw its bid for such series during such period. An award may be made after the period stated herein if the bidder shall not have given to the State Treasurer notice in writing of the withdrawal of its bid. See the caption “Information” below.

Manner and Time of Delivery

The applicable series of Bonds will be delivered to the applicable winning bidder within 60 days after the date stated herein for opening bids. The State contemplates delivering the Bonds on or about December 7, 2021. The purchasers of the Bonds will be given 72 hours' notice of the time fixed by the State Treasurer for tendering the Bonds for delivery. The purchasers will not be required to accept delivery of any of the Bonds of a series if they are not made ready and are not tendered for delivery within 60 days from the date herein stated for opening bids; and if such Bonds are not so tendered within such period of time, the Deposit (with accruing interest) will be returned to the purchasers upon their request.

Payment at and Place of Delivery

The successful bidders will be required to accept delivery of the Bonds through DTC, New York, New York or through the Paying Agent via the FAST System. Payment of the balance of the purchase price due for the series of Bonds at the time of their delivery must be made in Federal Reserve Bank funds or other funds acceptable to the State Treasurer for immediate and unconditional credit to the account of the State, as directed by the State Treasurer, at a bank or banks designated by the State so that Bond proceeds may be so deposited or invested, as the State Treasurer may determine, simultaneously with the delivery of the Bonds. The balance of the purchase price must be paid in such funds and not by any waiver of interest, and not by any other concession as a substitution for such funds.

Successful Bidders' Reoffering Yields and Establishment of Issue Price

Within one-half hour following each bid opening (or such other date as may be determined by the State pursuant to this Official Notice of Bond Sale), each of the successful bidders (or manager of the purchasing account) must notify the State by electronic mail to OSTdebt@nevadatreasurer.gov, andrew.artusa@zionsbank.com and marty@jnaconsultinggroup.com of the initial offering prices and yields of the applicable series of the Bonds to the public.

Each applicable winning bidder shall assist the State in establishing the issue price of the applicable series of Bonds and shall execute and deliver to the State on the date of issuance and delivery of the Bonds (the "Closing Date") an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the applicable series of Bonds, together with the supporting pricing wires or equivalent communications, substantially in the one of the two forms form attached hereto as Exhibit A-1 and Exhibit A-2, respectively, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the State and Bond Counsel. All actions to be taken by the State under this Official Notice of Bond Sale to establish the issue price of the Bonds of each series may be taken on behalf of the State by the State's Municipal Advisors. At the written request of the State, Bond Counsel or the State's Municipal Advisors (including via electronic mail), any notice or report to be provided to the State under this Official Notice of Bond Sale shall be provided to, as applicable pursuant to such written notice, the State, Bond Counsel and/or the State's Municipal Advisors.

The State intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds of a series) will apply to the initial sale of the Bonds of each series (the "competitive sale requirements") because: (1) the State shall disseminate this Official Notice of Bond Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters; (2) all bidders shall have an equal opportunity to bid; (3) the State may receive bids for the Bonds of each series from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and (4) the State anticipates awarding the sale of the Bonds of each series to the bidder who submits a firm offer to

purchase such Bonds at the highest price (or lowest interest cost), as set forth in this Official Notice of Bond Sale. Any bid submitted pursuant to this Official Notice of Bond Sale shall be considered a firm offer for the purchase of the Bonds of the applicable series, as specified in the bid.

In the event that the competitive sale requirements are not satisfied for the Bonds of a series, the State shall so advise the applicable winning bidder. The State will treat the first price at which 10% of a maturity of the Bonds of a series (the “10% Test”) is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). Each winning bidder shall advise the State if any maturity of the Bonds of the applicable series satisfies the 10% Test as of the date and time of the award of the Bonds of the applicable series. The State will not require winning bidders to comply with the “hold-the-offering-price rule.” Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. **Bidders should prepare their bids on the assumption that all of the maturities of the Bonds of the applicable series will be subject to the 10% Test in order to establish the issue price of the Bonds of such series.**

If the competitive sale requirements are not satisfied, then until the 10% Test has been satisfied as to each maturity of the Bonds of the applicable series, the winning bidder of the Bonds of the applicable series agrees to promptly report to the State the prices at which the unsold Bonds of the applicable series of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% Test has been satisfied as to the Bonds of the applicable series of that maturity or until all of the Bonds of the applicable series of that maturity have been sold.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds of a series to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Bonds of a series of each maturity allotted to it until it is notified by the winning bidder that either the 10% Test has been satisfied as to the Bonds of the applicable series of that maturity or all Bonds of the applicable series of that maturity have been sold to the public, if and for so long as directed by the applicable winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds of a series to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds of the applicable series to the public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the public the unsold Bonds of the applicable series of each maturity allotted to it until it is notified by the applicable winning bidder or such underwriter that either the 10% Test has been satisfied as to the Bonds of the applicable series of that maturity or all Bonds of the applicable series of that maturity have been sold to the public, if and for so long as directed by the applicable winning bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds of a series to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Official Notice of Bond Sale. Further, for purposes of this Official Notice of Bond Sale: (i) “public” means any person other than an underwriter or a related party; (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the State (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds of a series to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds of a series to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds of a series to the public); (iii) a purchaser of any of the Bonds of a series is a

“related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and (iv) “sale date” means the date that the Bonds of a series are awarded by the State to the applicable winning bidder.

Official Statements

The State has prepared a Preliminary Official Statement, which is deemed final by the State as of its date for the purpose of allowing bidders to comply with Rule 15c2-12 promulgated by the Securities Exchange Commission (the “Rule”), except the omission of certain information as permitted by the Rule. The Preliminary Official Statement is subject to revision, amendments and completion in a Final Official Statement, as defined below.

The State will prepare a supplement to the Preliminary Official Statement or will prepare a final Official Statement (in either case the “Final Official Statement”), which will be complete in all respects up to the date of delivery of the Bonds. The State will provide the winning bidder with a copy of the Final Official Statement in an electronic format on or before seven business days following the date of the award to each winning bidder.

The State authorizes the winning bidders to distribute the Final Official Statement in connection with the offering of the Bonds.

For a period of up to the earlier of (a) 25 days following the “end of the underwriting period” (as defined in the Rule) or (b) the date when all of the Bonds have been sold by the winning bidders, if any event concerning the affairs, properties or financial condition of the State shall occur as a result of which it is necessary to supplement the Final Official Statement in order to make the statements therein, in light of the circumstances existing at such time, not misleading, at the request of a winning bidder, the State shall forthwith notify the winning bidder of any such event of which it has knowledge and shall cooperate fully in preparation and furnishing of any supplement to the Final Official Statement necessary, in the reasonable opinion of the State and the winning bidder, so that the statements therein as so supplemented will not be misleading in the light of the circumstances existing at such time. The State will presume that the “end of the underwriting period” will occur on the Closing Date and all of each series of the Bonds have been sold by the winning bidders as of the Closing Date unless notified in writing otherwise by a winning bidder on or prior to the Closing Date.

Information

This Official Notice of Bond Sale, the Preliminary Official Statement, the Bond Resolutions and other information concerning the State and the Bonds may be obtained prior to the sale from:

The State's Municipal Advisors for the Bonds:

Martin Johnson
JNA Consulting Group, LLC
410 Nevada Way, Suite 200
Boulder City, Nevada 89005
(702) 294-5100
marty@jnaconsultinggroup.com

and

Andrew A. Artusa
Zions Public Finance
230 Las Vegas Boulevard South, Suite 200
Las Vegas, Nevada 89101
(702) 796-7080
andrew.artusa@zionsbank.com

or

The State Treasurer:

Zachary B. Conine, State Treasurer
Jeff Landerfelt, Deputy State Treasurer
Nevada State Treasurer's Office
Capitol Building, Number 4
101 North Carson Street
Carson City, Nevada 89701-4786
(775) 684-5600
statetreasurer@nevadatreasurer.gov
OSTdebt@nevadatreasurer.gov

Continuing Disclosure Undertaking

Pursuant to the Rule, the State will undertake in the Disclosure Dissemination Agent Agreement for the Bonds to provide certain ongoing disclosure, including annual operating data and financial information, audited financial statements and notices of the occurrence of certain material events. A copy of the proposed form of Disclosure Dissemination Agent Agreement is attached to Part I of the Preliminary Official Statement relating to the Bonds as Appendix B.

State Represented by Independent Registered Municipal Advisor

The State has engaged, is represented by and will rely on the advice of the Municipal Advisors, each an independent registered municipal advisor, to advise it on the issuance of the Bonds and other aspects of the financing for which the Bonds are being issued. The State intends that this statement constitutes the "required representation" for purposes of the independent registered municipal advisor exemption set forth in SEC Rule 15Ba1-1(d)(3) and prospective bidders and other market participants may rely on this written statement and receive and use it for purposes of that exemption. Each bidder should consult with its own advisors in determining whether the exemption is available to that bidder and other requirements applicable for the exemption to be available to that bidder.

Legal Opinions, Bonds and Transcripts

The validity and enforceability of the Bonds will be approved by:

Sherman & Howard L.L.C.
50 West Liberty Street, Suite 1000
Reno, Nevada 89501
(775) 323-1980

whose final, approving opinions, together with the Bonds, a certified transcript of the legal proceedings, including therefor a certificate stating that there is no litigation pending affecting the validity of the Bonds as of the Closing Date, and other closing documents, will be furnished to the purchaser of the Bonds without charge by the State.

Governing Law and Venue

This Official Notice of Bond Sale and the contract formed when the State accepts the winning bid are governed by the laws of the State of Nevada. By submitting a bid, each bidder consents to the exclusive jurisdiction of any court of the State of Nevada located in Carson City or the United States District Court for the State of Nevada for the purpose of any suit, action or other proceeding arising under this Official Notice of Bond Sale. Each bidder hereby irrevocably agrees that all claims in respect of any such suit, action or proceeding may be heard and determined by such court. Each bidder further agrees that service of process in any such action commenced in such state or Federal court shall be effective on such bidder by deposit of the same as registered mail addressed to the bidder at the address set forth in the bid submitted by the bidder.

Closing Certificates

The final certificates included in the transcript of legal proceedings shall include:

(1) A certificate, dated the Closing Date and signed by the Governor, the Treasurer, the Director of the Office of Finance in the Office of the Governor and the Attorney General, in which each of them certifies that, after reasonable investigation, to the best of such official's knowledge: (a) no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, is pending or, threatened, in any way contesting the completeness or accuracy of the Final Official Statement; (b) the Final Official Statement, as it pertains to the State and the Bonds (except as to information therein concerning price and yield of the Bonds, and information therein relating to the book-entry system for the Bonds, as to all of which no representations will be made), does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; and (c) no event affecting the State or the Bonds has occurred since the date of the Final Official Statement which should be disclosed in the Final Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any respect.

(2) A certificate, dated the Closing Date and signed by the State Controller, stating after reasonable investigation, that to the best of such official's knowledge, as of the date of the Final Official Statement and on the date of such certificate, the information contained in the Final Official Statement relating to revenues and expenditures of the State is true and correct and does not contain any untrue statement of a material fact or omit any information necessary to be included therein in order that the Final Official Statement not be misleading for the purpose for which it is to be used.

Right to Modify or Amend

The State reserves the right to modify or amend this Official Notice of Bond Sale in any respect including, without limitation, the right to adjust and change the principal amortization schedule of the Bonds being offered prior to the time bids are to be received. Such modifications or amendments shall be communicated through PARITY, Thomson Municipal News or Bloomberg.

By order of the State Treasurer November 8, 2021.

/s/ Zachary B. Conine
State Treasurer, State of Nevada

EXHIBIT A-1

APPLICABLE FOR SALE WHERE THE STATE TREASURER RECEIVES AT LEAST THREE BIDS

ISSUE PRICE CERTIFICATE

**\$_____ State of Nevada
General Obligation (Limited Tax)
_____ Bonds Series 2021_**

The undersigned, on behalf of [**Name of Purchaser**] as the original purchaser (“Original Purchaser”), of the General Obligation (Limited Tax) _____ Bonds, Series 2021_ in the aggregate principal amount of \$_____ (the “Bonds”) issued by the State of Nevada (the “State”), hereby certifies as set forth below with respect to the Bonds:

1. ***Reasonably Expected Initial Offering Price.***

a) As of the Sale Date, the reasonably expected initial offering price of the Bonds to the Public by the Original Purchaser are the prices listed in Schedule A attached hereto (the “Expected Offering Prices”). The Expected Offering Prices are the price for the Maturities used by the Original Purchaser in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Original Purchaser to purchase the Bonds.

b) The Original Purchaser was not given the opportunity to review other bids prior to submitting its bids.

c) The bid submitted by the Original Purchaser constituted a firm offer to purchase the Bonds.

d) The Purchaser has an established industry reputation for underwriting new issuance of municipal bonds.

e) The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the State with respect to certain of the representations set forth in the Federal Tax Exemption Certificate dated the date hereof executed by the State and with respect to compliance with the federal income tax rules affecting the Bonds, and by Sherman & Howard L.L.C. in connection with rendering its opinion that the interest on the Bonds is excludable from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and income tax advice that it may give to the Issuer from time to time relating to the Bonds.

2. ***Defined Terms.***

a) “*Maturity*” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

b) “*Public*” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

c) “*Sale Date*” means the first day on which there is a binding contract in writing for the sale of the Bonds. The Sale Date of the Bonds is November 16, 2021.

d) “*Underwriter*” means (i) any person that agrees pursuant to a written contract with the State (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

_____, 2021

[NAME OF PURCHASER]

By: _____
Name: _____
Title: _____

SCHEDULE A

EXPECTED OFFERING PRICES

SCHEDULE B

COPY OF ORIGINAL PURCHASER'S BID

EXHIBIT A-2

APPLICABLE FOR SALE WHERE THE STATE TREASURER RECEIVES FEWER THAN THREE BIDS

ISSUE PRICE CERTIFICATE

\$ _____
State of Nevada
General Obligation (Limited Tax)
Bonds
Series 2021_

The undersigned, on behalf of [Name of Purchaser] as the original purchaser ("Original Purchaser"), of the General Obligation (Limited Tax) _____ Bonds, Series 2021_ in the aggregate principal amount of \$_____ (the "Bonds") issued by the State of Nevada (the "State"), hereby certifies as set forth below with respect to the Bonds:

1. Sale of the Bonds. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A attached hereto.

2. Defined Terms.

a) "Maturity" means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

b) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

c) "Underwriter" means (i) any person that agrees pursuant to a written contract with the State (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

3. The Purchaser has an established industry reputation for underwriting new issuance of municipal bonds.

4. The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the State with respect to certain of the representations set forth in the Federal Tax Exemption Certificate dated the date hereof executed by the State and with respect to compliance with the federal income tax rules affecting the Bonds, and by Sherman & Howard L.L.C. in connection with rendering its opinion that the interest on the Bonds is excludable from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the State from time to time relating to the Bonds.

_____, 2021

[NAME OF PURCHASER]

By: _____
Name: _____
Title: _____

**SCHEDULE A
SALE PRICES**

[THIS PAGE INTENTIONALLY LEFT BLANK]

PART II

INFORMATION CONCERNING THE STATE OF NEVADA

Part II of this Official Statement contains information concerning the State of Nevada (the “State”), including constitutional and statutory authorizations of debt and applicable debt limitations, information related to bonds currently issued and outstanding, as well as bonds authorized but unissued, information relating to State property taxes and collections, certain financial data relating to the State, and certain economic and demographic information, and supplements the information contained in the other parts of this Official Statement. This Official Statement, including the cover, the inside cover pages, Part I and the appendices thereto, this Part II and the appendices hereto, Part III and Part IV, and any financial statements expressly incorporated herein by reference, should be read in its entirety.

Following several years of widespread economic improvement during which the State also experienced increases in many of its major sources of revenues, economic conditions abruptly changed in the late winter of 2020 when the novel coronavirus, COVID-19, caused a global health crisis and shut down much of the economy. When the health crisis began, the State’s finances were negatively impacted amid the economic slowdown that resulted from the public health measures put in place to reduce the spread of the virus, and due to the sizable role tourism and hospitality industries play in the Nevada economy.

In FY 2020, most General Fund revenue sources posted decreases compared to FY 2019. Total General Fund revenue declined by 4.9%. See Table 12 in Part II.

During the early impacts from the COVID-19 crisis, the State was forced to implement various budget reduction strategies using all of its rainy-day fund to mitigate the plummeting tax revenues in FY 2020 and a special session of the Legislature was called last summer to enact budget cuts to the FY 2021 budget. See Section titled “FINANCIAL INFORMATION—The 31st Special Session of the Legislature” that summarizes the steps taken to address anticipated revenue shortfalls the State was facing due to the COVID-19 public health emergency.

The State received approximately \$836 million through the Coronavirus Aid, Relief, and Economic Security (CARES) Act of which \$145.6 million was paid to local governments with populations under 500,000. Additionally, the State was allocated a total of \$6.7 billion of American Rescue Plan Act (ARPA) funds consisting of approximately: \$2,738.0 million of State Fiscal Recovery Funds; \$1,040.9 million in local general aid; \$1,123.4 million in aid for K-12 education, \$345.74 million for transportation, \$338.74 million for housing assistance, and other funds for areas such as, economic development, infrastructure, food assistance, and healthcare. For more information on Federal COVID-19 funding, see “FINANCIAL INFORMATION—COVID-19 Federal Aid.”

Unlike funds received under the CARES Act, State Fiscal Recovery funds received under ARPA allows the State to replace lost revenue due to the COVID-19 public health emergency with the lost revenue calculated at four points in time. In late July 2021, the Governor’s Finance Office, Budget Division, in consultation with the Fiscal Division of the Legislative Counsel Bureau, calculated the revenue loss for CY 2020 of \$1,086,485,000 per guidance provided by the U.S. Treasury in the Interim Final Rule. The funds will be spent in compliance with the U. S. Treasury Interim Final Rule and Frequently Asked Questions.

The State adopted a balanced budget after the 81st Legislature adjourned at the end of May 2021 for the 2021-2023 Biennium. The legislatively enacted budget, which was signed by the Governor, was balanced to the amounts set forth in the May 4, 2021 Economic Forum Forecast, after adjustments for actions approved by the Legislature during the 2021 Session (81st Session) and a Nevada Supreme Court decision regarding SB551(2019) as described in “FINANCIAL INFORMATION – State General Fund Revenue Sources – Commerce Tax” and “LITIGATION” in this Part II (hereinafter referred to as the “May 2021 Economic Forum Forecast Adjusted for 2021 Legislative Actions and Court Decisions”).

The economic outlook improved during FY 2021 with the significant amount of federal stimulus flowing through the economy and the widespread availability of the COVID-19 vaccine. In FY 2021, actual General Fund revenue resulted in an increase of 9.7% over FY 2020. FY 2021 actual revenues were \$226.2 million (unaudited), or 5.3%, above the May 2021 Economic Forum Forecast Adjusted for 2021 Legislative Actions and Court Decisions.

Despite the better than expected outcome, the FY 2021 actual revenue was \$121.7 million (unaudited) below the pre-pandemic FY 2021 Legislatively Adjusted Economic Forum Forecast when the initial FY 2021 budget was enacted.

Table 12 in this Part II provides a summary of general fund revenues for FY 2018 through FY 2021 (unaudited) and the forecast for the FY 2022 and FY 2023 in the May 2021 Economic Forum Forecast Adjusted for 2021 Legislative Actions and Court Decisions. No assurances can be made that the projected general fund revenues in FY 2022 and FY 2023 will be predictive of a continuing or future trend, or that the assumptions and projections set forth in the May 2021 Economic Forum Forecast Adjusted for 2021 Legislative Actions and Court Decisions will be predictive of actual results. The May 2021 Economic Forum Forecast Adjusted for 2021 Legislative Actions and Court Decisions is included in Appendix C to this Part II

Audited financial statements reflecting financial performance for FY 2021 are expected to be available in February 2022.

The seasonally adjusted unemployment rate in September 2021 stood at 7.5 percent. Prior to this latest recession, the last time that Nevada saw an unemployment rate greater than or equal to 7.5 percent was December 2014. Since reaching a record high of 29.5 percent in April 2020, the unemployment rate has declined in 15 of the 17 months since that time.

The COVID-19 pandemic is not yet over and the economic and health policy landscape are evolving and subject to change. The effects of COVID-19 and the actions taken at the State, local and national levels, as described in “INVESTMENT CONSIDERATIONS — Impacts of COVID-19 Pandemic” in Part I of this Official Statement, to halt its spread have had, and are expected to continue to have, a significant negative affect on the revenues and economy of the State, but the State cannot predict the duration or magnitude of that impact. Additional information about the impacts in the State and about the modifications to the State budget that were previously made to address a substantial shortfall are included under “FINANCIAL INFORMATION—The 31st Special Session of the Legislature” in this Part II. In addition, historical data presented in this Official Statement (including the appendices) may not predict near term trends accurately in light of the unprecedented and rapidly evolving nature of the COVID-19 pandemic and its economic effects. See “INVESTMENT CONSIDERATIONS—Impacts of COVID-19 Pandemic” in Part I of this Official Statement.

TABLE OF CONTENTS

	Page
GOVERNMENT STRUCTURE	II-1
DEBT STRUCTURE	II-2
Constitutional Debt Limitation.....	II-2
Outstanding General Obligation Bonds.....	II-3
Debt Service on General Obligation Bonds	II-6
Authorized But Unissued General Obligation Bonds.....	II-8
Lease-Backed Financings.....	II-12
Security for State General Obligation Bonds	II-12
PROPERTY TAXATION	II-14
Property Tax Base and Tax Roll Collection.....	II-14
Property Tax Limitations	II-18
State Tax Rates for Repayment of General Obligation Bonds	II-20
FINANCIAL INFORMATION.....	II-23
Financial Statements	II-23
Budget Procedure	II-23
General Fund	II-24
State General Fund Revenue Sources	II-25
Marijuana Excise Tax History.....	II-27
Tax Credit Programs	II-27
General Fund Balance	II-34
Account to Stabilize the Operation of State Government and Other Contingency Accounts	II-35
2019-2021 Biennium.....	II-37
The 31 st Special Session of the Legislature	II-40
The 32 nd Special Session of the Legislature	II-41
COVID-19 Federal Aid.....	II-42
2021-2023 Biennium.....	II-42
Education Support.....	II-44
Pension Plans	II-45
Public Employees’ Benefits Program.....	II-46
Active Employee Group Insurance	II-48
Insurance Premium Trust Fund	II-48
CYBERSECURITY	II-49
STATE LITIGATION	II-50
ECONOMIC AND DEMOGRAPHIC INFORMATION	II-52
General	II-52
Population and Age Distribution.....	II-53
Income.....	II-54
Employment	II-56
Educational Attainment.....	II-57
Sales and Use Tax	II-57
Gaming and Tourism.....	II-58
Transportation	II-60
Economic Development	II-61
Federal Activities	II-63
Mining.....	II-64
Electric Utilities	II-65
Water.....	II-65

LIST OF TABLES

		Page
* Table 1	- Constitutional Debt Limitation	II-3
* Table 2	- Outstanding General Obligation Bonds	II-4
* Table 3	- Annual Debt Service Requirements	II-6
* Table 4	- Direct General Obligation Debt Ratios	II-7
Table 5	- County Assessed Valuations	II-15
* Table 6	- Ten Largest Taxable Property Owners	II-16
* Table 7	- Tax Levies, Collections and Delinquencies Clark County, Nevada	II-17
* Table 8	- Tax Levies, Collections and Delinquencies Washoe County, Nevada	II-17
* Table 9	- State Debt Service on Outstanding Bonds Paid with State-Wide Property Tax	II-20
* Table 10	- Property Tax Rates Levied and Property Tax Revenues Collected to Repay General Obligation Bonds	II-21
Table 11	- Overlapping Tax Rates: State-Wide Average, Las Vegas and Reno	II-22
* Table 12	- General Fund Revenues	II-31
* Table 13	- General Fund Appropriations	II-32
* Table 14	- General Fund Unappropriated Balances	II-33
Table 15	- General Fund Balance	II-35
Table 16	- Nevada Population by County	II-53
Table 17	- Age Distribution	II-54
Table 18	- Per Capita Personal Income	II-54
Table 19	- Median Household Income	II-55
Table 20	- Percent of Households by Income Groups	II-55
Table 21	- Average Annual Labor Force Summary	II-56
Table 22	- Average Establishment-Based Industrial Employment by Calendar Year	II-56
Table 23	- Educational Attainment	II-57
Table 24	- Transactions Taxable Under the Nevada Sales and Use Tax Laws	II-57
Table 25	- Gross Taxable Gaming Revenues and Total Gaming Taxes	II-58
Table 26	- Visitor Volume and Room Occupancy Rate Las Vegas Metropolitan Area, Nevada	II-59
Table 27	- Visitor Volume and Room Occupancy Rate Washoe County, Nevada	II-60
Table 28	- Convention and Visitors Authority Room Tax Revenue	II-60
Table 29	- Mineral Production	II-65
Table 30	- Mineral Production (By Weight)	II-65

* Annual financial information of the type set forth in the Table is to be updated annually pursuant to the Disclosure Dissemination Agreement.

PART II – ATTACHMENT I –	SUMMARY OF STATE OF NEVADA PENSION SYSTEMS	II-Att. I-1
PART II – ATTACHMENT II –	SUMMARY OF STATE OF NEVADA PUBLIC EMPLOYEES’ BENEFITS PROGRAM	II-Att. II-1
PART II – APPENDIX A –	STATE OF NEVADA ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FY 2020 (EXCLUDING THE INTRODUCTORY SECTION AND STATISTICAL SECTION).....	II-A-1
PART II – APPENDIX B –	STATE OF NEVADA HISTORY OF GENERAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	II-B-1
PART II – APPENDIX C –	MAY 4, 2021 ECONOMIC FORUM FORECAST ADJUSTED FOR 2021 LEGISLATIVE ACTIONS AND COURT DECISIONS.....	II-C-1

GOVERNMENT STRUCTURE

Nevada’s Constitution was approved in 1864 and has been amended from time to time. The Constitution provides for three branches of government: legislative, executive and judicial. The legislative branch is made up of a Senate and an Assembly. State Senators are elected for four-year terms, and members of the State Assembly are elected for two-year terms.

The State Legislature (sometimes referred to herein as the “Legislature”) convenes biennially in odd-numbered years (“Regular Sessions”). The most recent 81st (2021) Regular Session convened on February 1, 2021 and adjourned on June 1, 2021. Special sessions of the State Legislature (“Special Sessions”) may be convened by the Governor by proclamation or by the State Legislature by a petition specifying the business to be transacted in the session and signed by two-thirds of the legislators of each house.

There are 21 Senators and 42 members of the Assembly. Nevada’s elected Constitutional officers are the Governor, Lieutenant Governor, Secretary of State, Treasurer, Controller, and Attorney General, all of whom are elected for four-year terms. All Constitutional officers are limited to two terms. Supreme Court justices are elected on a non-partisan ballot for six-year terms.

Following are the State’s Constitutional officers:

Office	Name	Political Party Affiliation	Term First Commenced	Term Expires
Governor	Steve Sisolak	Democrat	2019	2023
Lieutenant Governor	Vacant ¹	N/A	2019	2023
Secretary of State	Barbara K. Cegavske	Republican	2015	2023
Treasurer	Zachary B. Conine	Democrat	2019	2023
Controller	Catherine Byrne	Democrat	2019	2023
Attorney General	Aaron Ford	Democrat	2019	2023

The Board of Finance, consisting of the Governor, the Treasurer, the Controller, and two additional members appointed by the Governor, may issue and redeem securities on behalf of the State, when authorized by law, as provided in NRS Sections 349.150 through 349.364.

County governments in Nevada are managed by boards of county commissioners or the equivalent. There are 17 counties in the State (including Carson City, which is an independent city). Cities are governed by general acts, and 13 of the cities are also governed by special charters granted by the State Legislature.

Representation in the United States Congress is by two Senators and four Representatives.

As of September 1, 2021, there were approximately 17,396 permanent and non-permanent (emergency, provisional and temporary) full-time equivalent State employees, excluding employees of the Nevada System of Higher Education, courts, legislature, boards and commissions. Approximately 14,886 State employees are in collective bargaining units and can be represented by the labor organizations that represent the interests of their members.

As a result of Senate Bill 135 (“SB135”), which was signed into law on June 12, 2019 and codified in NRS 288.400, et. seq., collective bargaining for certain State employees began with four labor organizations representing seven of the eleven identified bargaining units. The resulting collective bargaining agreements became effective July 1, 2021. Pursuant to NRS 288, the term of the agreements coincides with the biennial cycle of the Legislature.

¹ Former Lieutenant Governor Kate Marshall resigned effective September 17, 2021. Governor Steve Sisolak may appoint a new lieutenant governor to serve until the November 2022 election or leave the position vacant. The position is currently vacant.

Under Nevada law, eligible State employees may choose to participate in collective bargaining units but are not required to do so.

DEBT STRUCTURE

Constitutional Debt Limitation

The Constitution of the State (Article 9, Section 3) limits the aggregate principal amount of the State's general obligation debt to 2% of the total reported assessed valuation of the State. The limitation does not apply to general obligation debt that is incurred for the protection and preservation of any property or natural resources of the State or for the purpose of obtaining the benefits thereof. The limitation does not apply to revenue bonds or contingent liabilities, nor does it apply to lease purchase arrangements the payments of which are subject to appropriation and that are terminable upon a nonappropriation of funds, more fully described in Note 9 to the State's Annual Comprehensive Financial Report for FY 2020 (excluding the Introductory Section and Statistical Section) included in Appendix A to this Part II (the "2020 State ACFR") and under the heading "DEBT STRUCTURE — Lease-Backed Financings" in this Part II. Such lease obligations are not considered debt under the Constitution and State law.

Subject to the State's constitutional debt limitation, the State Legislature may authorize the issuance of bonds or other securities by the State or any of its departments, divisions, agencies, political subdivisions, or other governmental agencies for any public purpose. It has been the general practice of the State Legislature to authorize the issuance of bonds and other securities by a special act in a maximum principal amount for a specified project or projects, rather than by general act for a number of general purposes.

Whether the issuance of bonds or other securities by the State is subject to voter approval is a matter of legislative determination and the terms of the enabling act. Historically, a majority of State securities have not been subject to voter approval.

Debt limitation information is reported in Table 1. The assessed valuation amount effective as of June 30 of a particular year is used for purposes of determining property taxes and the applicable debt limitation for the following fiscal year. The assessed valuation constitutes 35% of the taxable value of all taxable property within the State and may be adjusted from time to time during the course of a fiscal year, and if the assessed valuation is so adjusted, the debt limitation would also be adjusted. The assessed valuation effective as of June 30, 2021 set forth in Table 1 is the most current final assessed value available and will be applicable for determining the debt limitation during FY 2022, subject to adjustment as described above. See "PROPERTY TAXATION" in this Part II.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

The assessed valuation set forth in Table 1 effective as of June 30 of a particular year corresponds to the assessed value set forth in Table 4 for the following fiscal year (the fiscal year to which the June 30 assessed valuations apply), adjusted for state-wide redevelopment agency assessed valuations, which are included in the assessed valuation amount in Table 1 but are excluded from the assessed value amount in Table 4.

Table 1
Constitutional Debt Limitation⁽¹⁾

Effective June 30	Assessed Valuation ⁽²⁾	Debt Limitation	Outstanding Debt Subject to Limitation	Remaining Constitutional Debt Capacity
2018	\$123,398,562,960	\$2,467,971,259	\$1,025,895,000	\$1,442,076,259
2019	134,128,343,902	2,682,566,878	988,260,000	1,694,306,878
2020	144,323,763,007	2,886,475,260	981,760,000	1,904,715,260
2021	151,219,706,042 ⁽³⁾	3,024,394,121	945,445,000	2,078,949,121
2022	151,219,706,042 ⁽³⁾	3,024,394,121	912,195,000 ⁽⁴⁾	2,112,199,121

- (1) Excludes bonds, contingent liabilities, and lease purchase arrangements not subject to the constitutional debt limit, see “DEBT STRUCTURE—Constitutional Debt Limitation” in this Part II.
- (2) For purposes of calculating the State’s debt limitation on June 30 of each year, the assessed valuation figures include state-wide redevelopment agency assessed valuations in the amounts of: 2018-\$3,569,547,265, 2019-\$4,037,658,208, 2020-\$4,567,271,105, 2021 & 2022 -\$4,956,051,681. On June 30 of each year, the most current assessed value available is the assessed value used for calculating and assessing taxes for the following fiscal year.
- (3) The assessed valuation as certified by the Nevada Tax Commission on June 25, 2021, and reported by the State Department of Taxation.
- (4) Debt outstanding as of November 1, 2021.

Source: State of Nevada Controller’s Office.

Outstanding General Obligation Bonds

Certain general obligation indebtedness of the State is subject to the State’s constitutional debt limitation and certain general obligation indebtedness of the State is exempt from the State’s constitutional debt limitation. Table 2 identifies separately those bonds that are subject to the limitation and those bonds that are exempt from the limitation. See “DEBT STRUCTURE—Constitutional Debt Limitation” in this Part II for a discussion of the State’s constitutional debt limitation, and bonds included and excluded therefrom.

In addition, certain general obligation indebtedness of the State (whether or not subject to the State’s constitutional debt limitation) is categorized as “self-supporting” (referred to herein as the “self-supporting bonds”). The term self-supporting bonds is used to refer to (i) general obligation bonds that are expected to be paid in whole from revenues other than the state-wide property tax (referred to as “wholly self-supporting bonds”) and (ii) with respect to general obligation bonds only a portion of which is expected to be paid from revenues other than the state-wide property tax (referred to as “partially self-supporting bonds”), just the portion of such bonds expected to be paid from such other revenues. General obligation bonds that are categorized as wholly self-supporting bonds are identified by a single asterisk in Table 2 and general obligation bonds that are categorized as partially self-supporting bonds are identified by a double asterisk in Table 2. The outstanding balance of self-supporting bonds is identified in a subgroup in Table 2 under the heading “Self-Supporting Debt Outstanding.”

If the revenues that are expected to be used to pay the self-supporting bonds from sources other than the state-wide property tax are insufficient, the State is obligated to pay any deficiency from state-wide property taxes or through a borrowing by the Consolidated Bond Interest and Redemption Fund from the General Fund.

Table 2 presents information as of November 1, 2021 and does not reflect the planned issuance of the 2021A Bonds, the 2021B Bonds, the 2021C Bonds, the 2021D Bonds, the 2021E Bonds, or the 2021F Bonds described in this Official Statement or the refunding of certain bonds with a portion of the proceeds thereof. See “DESCRIPTION OF THE BONDS—Plan of Refunding” in Part I of this Official Statement for a description of the bonds listed in Table 2 that will be refunded in whole or in part by the above mentioned bonds.

See also “DEBT STRUCTURE—Security for State General Obligation Bonds” in this Part II.

Table 2
Outstanding General Obligation Bonds⁽¹⁾
As of November 1, 2021

Subject to Constitutional Debt Limitation	Date	Series	Original Amount	Outstanding
Capital Improvement, Cultural Affairs, and Refunding Bonds	11/16/11	A	\$65,245,000	\$23,220,000
Capital Improvement, Cultural Affairs, and Refunding Bonds	03/22/12	B	50,800,000	9,660,000
Capital Improvement and Cultural Affairs Refunding Bonds	04/09/13	D-1	98,015,000	60,970,000
Capital Improvement and Cultural Affairs Bonds	04/22/14	A	51,385,000	25,500,000
* University System Projects Bonds	03/10/15	A	78,335,000	59,665,000
Capital Improvement and Cultural Affairs Refunding Bonds	03/10/15	B	192,950,000	171,250,000
** Capital Improvement and Refunding Bonds	11/04/15	D	248,935,000	196,295,000
Capital Improvement and Cultural Centers Bonds	11/09/16	C	35,180,000	31,455,000
** Capital Improvement Bonds	11/07/17	A	85,635,000	61,215,000
** Capital Improvement and Historic Preservation Bonds	11/01/18	A	57,100,000	50,595,000
** Capital Improvement and Refunding Bonds	12/10/19	A	154,995,000	118,545,000
Capital Improvement, Historic Preservation, and Refunding Bonds	11/10/20	A	103,825,000	103,825,000
TOTAL SUBJECT TO CONSTITUTIONAL DEBT LIMIT			\$ 912,195,000	

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

Exempt from Constitutional Debt Limitation		Date	Series	Original Amount	Outstanding
*	Safe Drinking Water Revolving Fund Matching Bonds	12/21/10	I	\$6,235,000	\$1,815,000
*	Municipal Bond Bank Project Nos. 80, 81, 82 and 83	03/22/12	A	25,445,000	12,745,000
**	Natural Resources Refunding Bonds	03/22/12	C	25,510,000	8,560,000
	Open Space, Parks and Natural Resources Refunding Bonds	03/22/12	D	4,245,000	4,245,000
*	Municipal Bond Bank Project Nos. 84, 85, and 86	02/20/13	A	23,505,000	22,150,000
*	Water Pollution Control Revolving Fund Leveraged Refunding Bonds	02/20/13	B	17,045,000	3,405,000
**	Natural Resources Refunding Bonds	04/09/13	F-1	13,210,000	8,335,000
	Open Space, Parks, and Natural Resources Refunding Bonds	04/09/13	H-1	19,650,000	15,000,000
**	Natural Resources and Refunding Bonds	04/22/14	B	5,580,000	2,950,000
	Open Space, Parks, and Natural Resources Bonds	04/22/14	C	2,185,000	1,675,000
*	Colorado River Commission Hoover VC/Air Slots Bonds	06/24/14	E	29,475,000	25,215,000
**	Natural Resources Refunding Bonds	03/10/15	C	21,340,000	14,270,000
**	Natural Resources and Refunding Bonds	11/04/15	E	22,595,000	11,460,000
*	Municipal Bond Bank Project Nos. 87, 88, and 89	11/04/15	F	47,305,000	37,230,000
	Open Space, Parks, and Natural Resources and Refunding Bonds	11/04/15	G	9,350,000	6,585,000
*	Safe Drinking Water Revolving Fund Matching and Refunding Bonds	11/04/15	H	10,845,000	5,155,000
	Natural Resources and Refunding Bonds	11/09/16	D	13,610,000	11,450,000
**	Natural Resources and Refunding Bonds	11/07/17	B	5,890,000	5,005,000
	Open Space, Parks, and Natural Resources and Refunding Bonds	11/07/17	C	7,940,000	6,960,000
*	Municipal Bond Bank Project No. 90	11/07/17	D	6,000,000	5,180,000
*	Safe Drinking Water Revolving Fund Matching Bonds	11/07/17	E	6,215,000	4,975,000
*	Safe Drinking Water Revolving Fund Matching Bonds	12/10/19	C	5,360,000	3,215,000
*	Water Pollution Control Revolving Fund Matching Bonds	12/10/19	D	5,375,000	4,895,000
*	Water Pollution Control Revolving Fund Leveraged Bonds	12/10/19	E	25,445,000	24,570,000
**	Natural Resources and Refunding Bonds	11/10/20	B	2,750,000	2,650,000
TOTAL EXEMPT FROM CONSTITUTIONAL DEBT LIMIT					\$ 249,695,000

GROSS GENERAL OBLIGATION BONDED DEBT (GROSS DIRECT DEBT)		\$ 1,161,890,000
LESS: Self-Supporting Debt Outstanding		
*	Colorado River Commission Hoover Upgrading Bonds	25,215,000
*	Municipal Bond Bank Bonds	77,305,000
*	Safe Drinking Water Act Revolving Fund Bonds	15,160,000
*	University System Bonds	59,665,000
*	Water Pollution Control Revolving Fund Bonds	32,870,000
**	Aggregate Bonds Paid Partially From Revenues Other Than State-Wide Property Tax	64,557,000
TOTAL SELF-SUPPORTING DEBT		\$ 274,772,000
NET DIRECT DEBT		\$ 887,118,000

* Bonds that are wholly self-supporting bonds. The State believes the program revenues will be sufficient to pay debt service on the entire outstanding amount of such bonds; if they are not, the State is obligated to pay the difference between the program revenues and the debt service requirements of the bonds from state-wide property taxes or through a borrowing by the Consolidated Bond Interest and Redemption Fund from the State's General Fund.

** Bonds that are partially self-supporting bonds. A portion of each of these bonds is self-supporting and expected to be paid in part from revenues other than state-wide property taxes. If such revenues are insufficient to pay their expected portion of the debt service, the State is obligated to pay the insufficiency from state-wide property taxes or through a borrowing by the Consolidated Bond Interest and Redemption Fund from the State's General Fund. The portions of those bonds which are self-supporting bonds are included in the line item "Aggregate Bonds Paid Partially From Revenues Other Than State-Wide Property Taxes" under the heading "Self-Supporting Debt Outstanding" in Table 2.

(1) Excludes revenue bonds, contingent liabilities, and lease purchase arrangements not subject to constitutional debt limit, see "DEBT STRUCTURE—Constitutional Debt Limitation" in this Part II.

Source: State of Nevada Treasurer.

Debt Service on General Obligation Bonds

The following Table reports the debt service requirements for all of the State's outstanding general obligation bonds, including the debt service requirements for the self-supporting bonds. This Table presents information as of November 1, 2021 and does not reflect the planned issuance of the 2021A Bonds, the 2021B Bonds, the 2021C Bonds, the 2021D Bonds, the 2021E Bonds, or the 2021F Bonds described in this Official Statement or the refunding of certain bonds with a portion of the proceeds thereof. See Table 9 for the annual debt service requirements for only the State's outstanding general obligation bonds expected to be paid from state-wide property taxes.

Table 3
Annual Debt Service Requirements⁽¹⁾
(As of November 1, 2021)

Fiscal Year	General Obligation Bonds (Not Self-Supporting)		General Obligation Bonds (Self-Supporting)		Grand Total
	Principal	Interest	Principal	Interest	
2022	\$ 81,323,000	\$ 20,546,352	\$ 4,742,000	\$ 5,360,693	\$ 111,972,044
2023	108,464,000	35,211,979	20,711,000	10,153,048	174,540,026
2024	99,449,000	29,752,304	16,881,000	9,288,268	155,370,571
2025	103,197,000	24,786,634	17,873,000	8,498,318	154,354,951
2026	105,212,000	19,346,774	17,268,000	7,702,133	149,528,906
2027	106,620,000	14,090,434	19,920,000	6,935,355	147,565,789
2028	36,833,000	10,092,634	39,552,000	5,785,255	92,262,889
2029	33,555,000	8,456,675	17,790,000	4,720,305	64,521,980
2030	24,875,000	6,975,450	18,335,000	4,027,596	54,213,046
2031	28,010,000	5,936,906	18,845,000	3,392,986	56,184,892
2032	25,960,000	4,925,056	19,340,000	2,751,744	52,976,800
2033	26,880,000	3,998,981	16,730,000	2,120,813	49,729,794
2034	25,105,000	3,102,822	10,530,000	1,658,438	40,396,259
2035	25,780,000	2,282,541	10,280,000	1,289,463	39,632,003
2036	18,830,000	1,494,656	6,650,000	943,456	27,918,113
2037	18,600,000	971,331	6,500,000	710,719	26,782,050
2038	9,105,000	439,744	3,975,000	478,175	13,997,919
2039	9,320,000	222,506	1,600,000	344,925	11,487,431
2040	-	-	1,330,000	279,863	1,609,863
2041	-	-	1,390,000	222,063	1,612,063
2042	-	-	1,450,000	161,713	1,611,713
2043	-	-	1,510,000	98,813	1,608,813
2044	-	-	1,570,000	33,363	1,603,363
Total	\$ 887,118,000	\$ 192,633,779	\$ 274,772,000	\$ 76,957,498	\$ 1,431,481,277

⁽¹⁾ Excludes revenue bonds, contingent liabilities, and lease purchase arrangements not subject to constitutional debt limit, see "DEBT STRUCTURE—Constitutional Debt Limitation" in this Part II. Numbers may not foot due to rounding.

Source: State of Nevada Treasurer.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

The following table reports statistical and debt ratio information for the FY 2018, 2019, 2020, 2021 and 2022.

Table 4
Direct General Obligation Debt Ratios

Fiscal Year Ended June 30	2018	2019	2020	2021	2022
Population	3,057,582	3,099,795	3,165,923	3,206,189	3,221,557 ⁽⁷⁾
Assessed Value (000) ⁽¹⁾⁽²⁾	\$111,783,848	\$119,829,016	\$130,090,686	\$139,756,492	\$146,263,654
Taxable Value (000) ⁽¹⁾⁽²⁾	\$319,382,423	\$342,368,617	\$371,687,674	\$399,304,263	\$417,896,154
Gross Direct GO Debt (000) ⁽³⁾⁽⁵⁾	\$1,358,070	\$1,284,715	\$1,283,145	\$1,210,570	1,161,890 ⁽⁶⁾
Gross GO Debt Relative to:					
Per Capita	\$444	\$414	\$405	\$378	\$361
Percent of Assessed Value	1.21%	1.07%	0.99%	0.87%	0.79%
Percent of Taxable Value	0.43%	0.38%	0.35%	0.30%	0.28%
Net Direct GO Debt (000) ⁽⁴⁾⁽⁵⁾	\$1,061,230	\$973,512	\$933,706	\$887,058	887,118 ⁽⁶⁾
Net Direct GO Debt Relative to:					
Per Capita	\$347	\$314	\$295	\$277	\$275
Percent of Assessed Value	0.95%	0.81%	0.72%	0.63%	0.61%
Percent of Taxable Value	0.33%	0.28%	0.25%	0.22%	0.21%

⁽¹⁾ The assessed value set forth in Table 4 corresponds to the assessed value set forth in Table 5.

⁽²⁾ See “PROPERTY TAXATION—Property Tax Base and Tax Roll Collection” in this Part II for an explanation of Assessed Value and Taxable Value. The assessed valuation of the Redevelopment Agencies is not used in calculation of debt ratios because they are not subject to State taxation for retirement of general obligation bond debt except for debt approved by the voters after 1996.

⁽³⁾ Gross Direct General Obligation Debt includes all State general obligation bonds, including the self-supporting bonds.

⁽⁴⁾ Net Direct General Obligation Debt does not include the self-supporting bonds.

⁽⁵⁾ Excludes revenue bonds, contingent liabilities, and lease purchase arrangements not subject to constitutional debt limit, see “DEBT STRUCTURE—Constitutional Debt Limitation” in this Part II.

⁽⁶⁾ Debt outstanding as of November 1, 2021.

⁽⁷⁾ FY 2022 projections are from the most recent Five-Year Projections Based on the March 2021 Estimates report, Office of the State Demographer for Nevada.

Note: In a new year, the only Table that reports the coming FY assessed value is Table 1. All other tables use the current fiscal year assessed value, and in the case of Table 4, the current year projected population. This is because the gross direct debt is as of a current fiscal year date.

Source: State of Nevada Controller’s Office.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

Authorized But Unissued General Obligation Bonds

Authorizations for General Obligation Bonds That Are Not Categorized as Self-Supporting

Whether the issuance of bonds or other securities by the State is subject to voter approval is a matter of legislative determination and the terms of the enabling act. Historically, a majority of State securities have not been subject to voter approval. As of November 1, 2021, the State was authorized to issue the general obligation bonds described in the following paragraphs under this subheading that will be payable solely from property taxes.

Water System Projects

NRS 349.986 authorizes the issuance of general obligation securities for the purpose of providing grants to purveyors of water, subject to a limit of \$125,000,000 in principal amount outstanding at any one time, of which \$28,478,000 is currently outstanding. The amount currently available to be issued is \$96,522,000 of which approximately \$8,000,000 will be allocated to the 2021B Bonds.

Lake Tahoe Basin Projects

The State Legislature, for the purpose of carrying out certain environmental improvement projects for the Lake Tahoe Basin provided for by the State, authorized in 2009 the issuance of general obligation bonds in the amount of \$100,000,000, of which \$15,610,000 has been issued. Approximately \$5,165,000 of this authorization will be allocated to the 2021B Bonds.

Capital Improvement Projects

The 2019 State Legislature authorized in AB541 Sec. 6, \$186,000,000 in general obligation bonds for capital improvement projects, of which \$145,775,000 has been issued.

The 2021 State Legislature authorized in AB492 Sec. 4, \$280,630,853 in general obligation bonds for capital improvement projects. Approximately \$108,900,000 of this authorization will be allocated to the 2021A Bonds.

Cultural Centers and Historic Preservation Projects

NRS 383.530 authorizes the issuance of up to \$3,000,000 in general obligation bonds annually to provide financial assistance to governmental entities and nonprofit corporations formed for educational or charitable purposes, including, without limitation, the preservation or promotion of cultural resources.

Open Space, Cultural and Natural Resource Projects

The 2019 State Legislature authorized in AB84, \$217,500,000 in general obligation bonds to protect, preserve and obtain the benefits of the property and natural and cultural resources of the State. Approximately \$8,000,000 of this authorization will be allocated to the 2021C Bonds and approximately \$7,000,000 of this authorization will be allocated to the 2021D Bonds.

Interim Debentures for General Operations

SB4 adopted in the 31st Special Session authorizes the State Board of Finance to issue general obligation interim debentures and special obligation interim debentures for the purpose of paying for the general operations of the State if specified conditions are met, provided that the aggregate principal amount of any such interim debentures outstanding at one time cannot exceed \$150,000,000. This bill was effective on July 17, 2020, and expired on June 30, 2021. However, SB47 adopted in the 81st (2021) Regular Session removed the expiration date, thereby authorizing the issuance of such interim debentures on or after July 1, 2021.

Nevada Infrastructure Bank

AB399 adopted in the 79th (2017) Regular Session created the Nevada State Infrastructure Bank (“Bond Bank”) to provide loans and other financial assistance to various units of state and local government for the development, construction, repair, improvement, maintenance, decommissioning, operation and ownership of certain transportation facilities and utility infrastructure. The Bond Bank would become effective upon notification to the Governor and the Director of the Legislative Counsel Bureau from Director of the Nevada Department of Transportation that sufficient money was available to capitalize and carry out the business of the Bank.

SB430 adopted in the 81st (2021) Regular Session established the effective date of the Bond Bank as July 1, 2021 and expanded the types of facilities for which the Bond Bank is authorized to provide loans or other financial assistance to include water and wastewater infrastructure, renewable energy infrastructure, recycling and sustainability infrastructure, digital infrastructure, social infrastructure and other infrastructure related to economic development. SB430 also authorized the Bond Bank to provide loans and financial assistance to Indian Reservations, Indian Colonies and private nonprofit entities created for charitable and educational purposes.

AB492 adopted in the 81st (2021) Regular Session authorized the issuance of not more than \$75 million of general obligation bonds for the purposes described in NRS 408.55048 to 408.55088, as amended by SB430.

Authorizations for General Obligation Bonds That Are Categorized as Self-Supporting

In addition to the authorizations previously described, the State is authorized to issue general obligation bonds that are payable from property taxes but are expected to be paid from sources other than property taxes, including bonds payable from water and power sales and bonds payable from loan repayments by municipalities (referred to herein as self-supporting bonds). The principal amount of self-supporting bonds outstanding is set forth in Table 2 under the heading “Self-Supporting Debt Outstanding.” Substantial additional amounts of self-supporting bonds are expected to be issued in the future. Following are brief summaries of the major State programs that have authority to obligate the State’s general obligation credit for revenue generating self-supporting programs.

Nevada Municipal Bond Bank

The State’s Bond Bank Program (the “Bond Bank Program”) was established to assist municipalities in undertaking local projects that foster and promote the protection and preservation of the property and natural resources of the State by making loans that might not be otherwise available to such municipalities or that might be available only at prohibitive interest rates. State general obligation securities issued for the Bond Bank Program are not subject to the Constitutional debt limit described under “DEBT STRUCTURE—Constitutional Debt Limitation” in this Part II. The Bond Bank Act provides a statutory limitation of \$1.8 billion of State general obligation securities which may be outstanding at any time to finance loans to municipalities. This limit may be increased or decreased by the State Legislature. The Board of Finance must approve the issuance of State general obligation and revenue securities under the Bond Bank Act. The outstanding principal amount of State general obligation securities issued under the Bond Bank Act was \$77,305,000 as of November 1, 2021. State general obligation bonds issued pursuant to the Bond Bank Act are considered by the State to be self-supporting, as described under the heading “DEBT STRUCTURE—Outstanding General Obligation Bonds” in this Part II. Nevertheless, if revenues from the Bond Bank payers described below are insufficient to pay amounts due with respect to such bonds, the State is obligated to pay any deficiency from state-wide property taxes or to borrow from the State’s General Fund as described in this Part II under the heading “DEBT STRUCTURE—Security for State General Obligation Bonds.”

The State Treasurer is the Administrator (the “Administrator”) of the Bond Bank. Bond Bank Act loans are made by the Administrator by purchasing securities which are obligations of one of the State’s “municipalities” (i.e., cities, counties, districts and certain water authorities organized as political subdivisions). A municipality must obtain whatever authorization is required by statute before it may issue municipal securities, including, in some cases, approval of its electorate, before it may issue municipal securities payable from taxes, and such securities are subject to all statutory restrictions, including local indebtedness limitations. The Bond Bank Act does not, in and of itself, authorize the issuance by municipalities of municipal securities payable from (i) general ad valorem property taxes or (ii) certain sales and use taxes and excise taxes imposed in a tax increment area in connection with a water project with an estimated cost in excess of \$50 million that is approved by the State’s Interim Finance Committee. Both State

general obligation securities issued under the Bond Bank Act and municipal securities payable from such taxes that are purchased in connection with a lending project may, but need not be, additionally secured with other pledged revenues.

Under the Bond Bank Act, the State is also permitted to issue general obligation bonds to purchase revenue securities issued by a water authority for a purpose related to natural resources, subject to satisfying certain conditions.

The Bond Bank Act requires that the debt service payments on local government loans be held by the Bond Bank and investment income be deposited to the Municipal Bond Bank Fund and applied in the following order of priority:

- (a) deposited into the consolidated bond interest and redemption fund created pursuant to NRS 349.090 in amounts necessary to pay the principal of, interest on and any redemption premiums due in connection with State securities issued pursuant to the Bond Bank Act;
- (b) deposited into any reserve account created for the payment of the principal of, interest on and any redemption premiums due in connection with State securities issued pursuant to the Bond Bank Act, in amounts and at times determined to be necessary;
- (c) paid out for expenses of operation and maintenance; and
- (d) on July 1 of each odd-numbered year, to the extent of any uncommitted balance in the fund, deposited in the State general fund.

The Bond Bank Act also authorizes the Bond Bank to issue revenue bonds to purchase revenue obligations issued by a municipality for any purpose permitted by law (subject to certain exceptions). Revenue bonds issued to acquire such revenue obligations issued by a municipality would not be general obligations of the State, and would be secured solely by repayments of local revenue obligations and certain revenues distributable by the State to the local governments. As of the date of this Official Statement, no such revenue bonds have been issued pursuant to this program.

Water Pollution Control Revolving Fund

The State has established an enterprise account to provide a source of funds to make loans or to provide other assistance for certain water pollution control projects and for related purposes authorized under the State revolving loan fund provisions of the federal Clean Water Act (the "Pollution Control Projects Account"). Funding for this program (the "Pollution Control Program") is provided primarily through federal capitalization of grant money made available to the State, receipt of which is conditioned on the State's providing approximately 20% matching funds. Funds in the Pollution Control Projects Account are generally used to make loans at or below market rates to municipal recipients for purposes of paying for costs of designing and constructing publicly owned treatment works. Funds loaned to municipal recipients for eligible projects are repaid into the Pollution Control Projects Account and are re-used in the program, thus creating a source of funds to make payments on State bonds and a perpetual source of funding for projects. Amounts in the Pollution Control Projects Account are also permitted to be applied to pay certain costs of operating the Pollution Control Program.

The Director of the State Department of Conservation and Natural Resources, with the approval of the Director of the State Governor's Finance Office, is permitted to authorize the State Treasurer to issue general obligation bonds of the State to support the purposes of the Pollution Control Projects Account. Such bonds are not subject to the constitutional limitation as to amount imposed on general obligation bonds. The loans made from the proceeds of bonds are secured by debt instruments of the municipal borrowers. The State has considered bonds previously issued for purposes of the Pollution Control Program to be self-supporting because State bonds issued for purposes of the Pollution Control Program are secured by loan payments made by municipal loan recipients. There is no statutory cap on the principal amount of general obligation bonds that may be issued for the Pollution Control Program. All of the 2021F Bonds will be allocated to such purposes.

Safe Drinking Water Revolving Fund

The State has established an enterprise account to provide a source of funds to make loans or to provide other assistance for certain drinking water projects and for related purposes authorized under the State revolving loan fund provisions of the federal Safe Drinking Water Act (the "Revolving Fund Account"). Funding for this program (the "Public Water System Program") is provided in a manner similar to that of the Pollution Control Program. Funds in the Revolving Fund Account are generally used to make loans to municipal recipients at or below market rates for purposes of paying for costs of designing and constructing public water systems. Funds loaned to municipal recipients for eligible projects are repaid into the Revolving Fund Account and are re-used in the program, thus creating a source of funds to make payments on State bonds and a perpetual source of funding for projects. Amounts in the Revolving Fund Account are also permitted to be applied to pay certain costs of operating the Public Water System Program.

The Administrator of the Division of Environmental Protection of the State Department of Conservation and Natural Resources is permitted to authorize the State Treasurer to issue general obligation bonds of the State to support the purposes of the Revolving Fund Account or to provide money from the State to match federal grants as required by the federal Safe Drinking Water Act. Such bonds are not subject to the constitutional limitation as to amount imposed on general obligation bonds. The loans made from the proceeds of bonds are secured by debt instruments of the borrowers. The State has considered bonds previously issued for purposes of the Public Water System Program to be self-supporting because State bonds issued for purposes of the Public Water System Program are secured by loan payments made by municipal loan recipients. There is no statutory cap on the principal amount of general obligation bonds that may be issued for the Public Water System Program. All of the 2021E Bonds will be allocated to such purposes.

Marlette Lake Water System

The State has established the Marlette Lake Water System, made up of water rights, easements, pipelines and related items acquired by the State and used in connection with the collection, transmission and storage of water in Carson City, Washoe County and Storey County. The Marlette Lake Water System was created to provide adequate supplies of water to the areas served, to maintain the system to assure dependable supplies of water, and to sell water under equitable and sound arrangements.

The Director of the Governor's Finance Office may request the State Board of Finance to issue general obligation bonds of the State or revenue bonds in an aggregate principal amount not to exceed \$25,000,000 to finance the capital costs of improving and modernizing the Marlette Lake Water System. The aggregate amount of bonds currently available to be issued is \$15,335,000.

Nevada System of Higher Education

The 2013 State Legislature authorized in AB501, Sec. 2 the issuance of \$85,000,000 of general obligation bonds to finance capital improvements at the University of Nevada, Las Vegas and University of Nevada, Reno campuses. The State imposes a \$250 annual excise tax on each slot machine operated in the State. In each year 20% of the receipts of this excise tax are to be deposited in a Special Capital Construction Fund for Higher Education (after depositing the first \$5,000,000 of receipts of this excise tax in a Capital Construction Fund for Higher Education). Amounts in the Special Capital Construction Fund for Higher Education are appropriated on July 31 of each year in the amount necessary (if available) to pay the principal of and interest due in that fiscal year on bonds issued. The amount currently available to be issued is \$6,665,000.

Colorado River Commission

The 2013 State Legislature authorized in SB438 the issuance by the Colorado River Commission of up to \$35,000,000 of bonds for the purpose of prepaying the cost of electrical capacity and energy generated by Hoover Dam, or for the purpose of paying, financing or refinancing a portion of the capital costs which contribute to the ongoing costs of electrical capacity and energy generated from Hoover Dam. The obligations may be either general obligations payable from taxes and additionally secured with pledged revenue, special obligations payable from pledged revenue, or any combination of the foregoing. The amount currently available to be issued is \$5,525,000.

Capital Improvement Projects

The 2019 State Legislature authorized in AB541 Sec. 8, \$5,344,346 in general obligation bonds for a DMV capital improvement project, of which \$4,790,000 has been issued. The State does not anticipate issuing the balance of this authority.

Economic Development Projects

During the 29th (2015) Special Session, the State authorized under SB1 general obligation bonds for eligible infrastructure projects, including drainage, electrical, rail, sanitary sewer, transportation, fire protection, wastewater and water projects. A local government may submit an economic development financing proposal for qualified projects to the Office of Economic Development for approval for financing under this program. On or after July 1, 2017, the State Legislature or the Interim Finance Committee must also approve the proposal. Up to \$175,000,000 in bonds may be issued for each approved proposal, and the total amount of the bonds outstanding for all the projects must not exceed \$200,000,000. The local government must create tax increment areas or special districts and pledge the revenue from such districts or areas for the repayment of the bonds. The amount currently available to be issued under this authorization is \$200,000,000.

Lease-Backed Financings

The Nevada Real Property Corporation is a public not-for-profit corporation that issued certificates of participation in 2004 to finance a State office building project (the “2004 Capitol Complex Building 1 Certificates”), an additional series of certificates of participation in 2004 to finance a State correctional facility (the “2004 Casa Grande Certificates”) and another series of certificates of participation in 2006 to finance a State printing office building (the “2006 LCB Certificates”). In 2013, the 2013 Capitol Complex Building 1 Refunding Certificates and the 2013 Casa Grande Refunding Certificates were issued to refund the entire outstanding balance of the 2004 Capitol Complex Building 1 Certificates and the 2004 Casa Grande Certificates, and another series was issued to finance a new project for the benefit of Nevada State College (the “2013 NSC Certificates”). In 2016, the 2016 LCB Refunding Certificates were issued to refund the entire outstanding balance of the 2006 LCB Certificates. As of November 1, 2021, the 2013 Capitol Complex Building 1 Refunding Certificates are outstanding in the aggregate principal amount of \$12,400,000, the 2013 Casa Grande Refunding Certificates are outstanding in the aggregate principal amount of \$11,640,000, the 2013 NSC Certificates are outstanding in the aggregate principal amount of \$45,200,000 and the 2016 LCB Refunding Certificates are outstanding in the aggregate principal amount of \$1,932,000.

The facilities so financed (or refinanced) are being leased to the State at rents calculated to be sufficient to pay the certificates of participation. The certificates of participation (and the underlying lease purchase arrangements with the State) are not general obligations of the State and are not backed by the full faith and credit or the taxing power of the State. The State’s obligations to pay base rent and make other payments under the lease purchase arrangements are subject to appropriation by the State.

Security for State General Obligation Bonds

General obligation bonds of the State are direct general obligations of the State to which the full faith and credit of the State are pledged. General obligation bonds are payable as to principal and interest from general (ad valorem) taxes levied against all taxable property within the State (except to the extent any other revenues are made available therefor), subject to Nevada constitutional and statutory limitations on the aggregate amount of such taxes. See “DEBT STRUCTURE—Constitutional Debt Limitation” and “PROPERTY TAXATION—Property Tax Limitations” in this Part II. The tax is required to be levied annually as necessary until all of the State’s general obligation bonds and the interest thereon are discharged and will be levied and collected in the same manner and at the same time as other property taxes are levied and collected. All such taxes levied by the State are required to be deposited in the Consolidated Bond Interest and Redemption Fund in the State Treasury.

State law provides for payment of principal and interest on general obligation bonds from the taxes on deposit in the Consolidated Bond Interest and Redemption Fund in the State Treasury. The State is also permitted by law to apply any other funds that may be available for that purpose to make payments on general obligation bonds. State

law further provides that if property tax revenues to the State are not sufficient to pay general obligation bond debt service, and if the State has not applied other available funds to such purpose, the Consolidated Bond Interest and Redemption Fund will borrow money from the General Fund to pay general obligation bond debt service, to be repaid from future available property taxes. State law includes a permanent appropriation of the taxes levied to repay general obligation bonds for the payment of such principal and interest.

Article 10, Section 2, of the Constitution of the State of Nevada limits the total ad valorem property taxes levied by all overlapping governmental units within the boundaries of any county (i.e., the State, and any county, city, town, school district or special district) to an amount not to exceed five cents per dollar of assessed valuation (\$5 per \$100 of assessed valuation) of the property being taxed. The combined overlapping tax rate is further limited by statute to \$3.64 per \$100 of assessed valuation. The State's current levy for general obligation debt is \$0.17 per \$100 of assessed valuation. A portion of this levy, \$0.0082 per \$100 of assessed valuation, must be used exclusively for bonds issued for purposes described under the heading "DEBT STRUCTURE—Authorized But Unissued General Obligation Bonds—Authorizations for General Obligation Bonds that are Not Categorized as Self-Supporting—Open Space, Cultural, and Natural Resource Projects." The State Legislature has exempted \$0.02 per \$100 of the \$0.17 per \$100 levied by the State for general obligation bonded indebtedness from this statutory limitation. The overlapping tax rate in all jurisdictions within the State is currently at or below the currently permitted statutory limit. See Table 11 in this Part II. The State has the ability to raise its levy for the general obligation bonds within the constraints of the State's constitutional cap by legislative action. See "PROPERTY TAXATION—Property Tax Limitations" in Part II of this Official Statement.

State law provides that the faith of the State be pledged, and that any law concerning State general obligation bonds, or other municipal securities, taxes or pledged revenues, shall not be repealed, amended or modified in such a manner as to impair adversely any outstanding municipal securities, including bonds, until all such securities have been discharged in full or provision for their payment and redemption has been fully made. State law authorizes holders of general obligation bonds of the State to bring actions, at law or in equity, against the State, the Board of Finance, or other employees or agents of the State, to compel any action required by State law or in any covenant with bondholders, or to take certain other enumerated actions.

The State does not generally levy state-wide property taxes to pay general obligation bonds that are self-supporting bonds. Self-supporting bonds include (i) wholly self-supporting bonds, which are general obligation bonds that are expected to be paid in whole from revenues other than the state-wide property tax and (ii) with respect to partially self-supporting bonds, which are general obligation bonds only a portion of which is expected to be paid from revenues other than the state-wide property tax, just the portion of such bonds expected to be paid from such other revenues.

These self-supporting bonds are identified in Table 2 of this Part II. Wholly self-supporting bonds are identified with a single asterisk and partially self-supporting bonds are identified with a double asterisk. The aggregate principal amount of self-supporting bonds outstanding is identified in Table 2 under the heading "Self-Supporting Debt Outstanding." Self-supporting bonds are expected to be paid from the revenues generated by the applicable program for which the bonds are issued. In the event revenues from such programs are insufficient to pay such bonds, the bonds have the same claim to state-wide property tax receipts and the State's General Fund as other general obligation bonds of the State. If ad valorem tax receipts are insufficient to make payments on all bonds as a result of a failure of self-supporting bonds to generate sufficient revenues, the State will borrow the shortfall from the General Fund as described above. The availability of borrowing from the General Fund to make payments on general obligation bonds provides time for the State Legislature to legislatively adjust the ad valorem property tax rates if needed. If an increase in the State's ad valorem property tax rate results in overlapping taxes exceeding the current statutory maximum of \$3.64 per \$100 of assessed valuation (which maximum can also be legislatively adjusted upward subject to the constitutional limit of \$5.00 per \$100 of assessed valuation), the taxes levied are given a priority for payment of general obligation bonds, and revenue shortfalls resulting from the application of the overlapping property tax cap are allocated to other purposes. See "PROPERTY TAXATION—Property Tax Limitations" in this Part II.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

PROPERTY TAXATION

Property Tax Base and Tax Roll Collection

County assessors are responsible for assessments of all properties in the counties except for property centrally assessed by the State and except for exempted property. In 1981, the State Legislature determined that a just valuation of real property should no longer be based strictly on the full cash value of the total property. Instead, the value of real property was bifurcated into two components: full cash value of the land and replacement cost new less depreciation of the improvements, with the rate of depreciation set by statute. The resulting “taxable value” must not exceed the full cash value of the entire property (NRS 361.227). Full cash value is defined as “the most probable price which property would bring in a competitive and open market under all conditions requisite for a fair sale” (NRS 361.025).

Replacement cost new less depreciation for real property improvements is determined by reference to a national costing service or similar sources for replacement cost. Depreciation is then subtracted from the replacement cost at a set rate of 1.5% of the cost of replacement for each year of adjusted actual age of the improvement, up to a maximum of 50 years (NRS 361.227(1)(b)). Depreciation of improvements is therefore no greater than 75% for improvements 50 years old or older. Assessors then add the full cash value of land to the replacement cost new less depreciation of improvements to derive a total taxable value. The full cash value of the land is determined by applying the sales comparison approach, if there are sufficient sales, or alternative methods if there are insufficient sales (Nevada Administrative Code (“NAC”) 361.118; 361.119). In communities where little growth in land value is experienced, the total assessed value may go down as a result of the statutory rate of depreciation.

Replacement cost new less depreciation for personal property is based on the taxpayer’s reported acquisition cost less depreciation. Depreciation is determined using tables published by the Department of Taxation and approved by the Nevada Tax Commission. Depreciation rates vary depending on the life of the asset, but in general a declining balance method of depreciation is applied with a 5% residual (NAC 361.1375).

If the taxable value of any property so derived exceeds the full cash value of the property, then Nevada law requires the appraiser to measure the additional obsolescence and reduce the taxable value downward (NRS 361.227(5)). The appraiser may use the comparative sales approach, the income approach, and the cost summation approach to measure the amount of obsolescence present.

Assessors apply the sales comparison approach using mass appraisal techniques to establish the land values for various classifications of property, such as residential, commercial, or industrial properties. Land values also vary by location and other market conditions. For instance, foreclosure sales can affect the values established by county assessors if they become a large proportion of the overall number of sales of comparable properties causing downward pressure on sales prices of similarly situated properties.

In Nevada, NRS 361.225 requires that all property subject to taxation be assessed at 35% of its taxable value. Restating the formula expressed in NRS 361.225: Taxable Value x Level of Assessment = Assessed Value. For example, if the taxable value of a single family residence is \$200,000, the assessed value is \$70,000 ($\$200,000 \times 0.35 = \$70,000$).

Property owned by the federal government is exempt from State taxation. In addition, the State Legislature has provided for the exemption of certain types of properties. For instance, property owned by the State and its political subdivisions, or certain enumerated religious, charitable and educational organizations, is exempt. The total land area of the State that is exempted from property tax is approximately 86.6%. In addition, certain household goods and furniture, business inventories, personal property in transit, property used for the control of air or water pollution, and unpatented mining claims, are exempt, among others.

The following Table provides a record of the change in assessed valuation by county within the State during FY 2018-2022. As shown in Table 5, assessed valuations increased in FY 2018 through FY 2022.

Table 5⁽¹⁾
County Assessed Valuations
(35% of Taxable Value)

County	Fiscal Year Ended June 30 Tax Rolls				
	2018	2019	2020	2021	2022 ⁽²⁾
Carson City	\$1,502,046,933	\$1,568,475,621	\$1,666,547,892	\$1,814,811,670	\$1,799,198,563
Churchill	820,038,393	840,079,069	869,263,253	895,312,015	926,262,132
Clark	78,890,801,494	84,428,728,091	92,239,056,371	99,962,719,089	103,215,191,148
Douglas	2,908,641,064	3,076,916,940	3,325,384,336	3,538,641,085	3,664,516,681
Elko	2,100,000,798	2,191,111,161	2,183,998,632	2,307,887,553	2,529,304,538
Esmeralda	83,790,387	72,333,983	66,608,464	120,193,550	97,542,476
Eureka	1,034,728,897	1,407,180,192	1,220,871,907	1,208,149,464	1,936,571,803
Humboldt	1,331,495,805	1,326,732,085	1,259,675,966	1,421,877,282	1,888,368,432
Lander	1,465,577,371	1,881,047,549	1,887,857,499	1,602,462,246	1,534,595,705
Lincoln	286,580,877	281,018,607	290,726,134	290,075,392	304,038,163
Lyon	1,682,761,005	1,838,828,115	2,064,010,723	2,273,021,391	2,417,992,311
Mineral	172,060,924	191,445,849	232,583,403	229,822,634	259,850,454
Nye	1,910,358,824	1,999,579,546	2,248,151,058	2,196,383,282	2,311,658,811
Pershing	317,408,981	338,541,572	339,553,990	328,601,056	332,605,301
Storey	686,763,955	892,921,142	1,178,862,581	1,549,397,544	1,798,426,195
Washoe	16,136,670,732	16,886,587,798	18,398,773,380	19,346,366,369	20,550,253,841
White Pine	454,121,947	607,488,375	618,760,105	670,770,280	697,277,807
TOTAL	\$111,783,848,387	\$119,829,015,695	\$130,090,685,694	\$139,756,491,902	\$146,263,654,361
Percent Change	5.62%	7.20%	8.56%	7.43%	4.66%

⁽¹⁾ Includes net proceeds of minerals but excludes state-wide redevelopment agency fiscal year assessed valuation used for taxation purposes in the amounts of: 2018 - \$2,943,888,431 2019 - \$3,569,547,265, 2020 - \$4,037,658,208 2021 - \$4,567,271,105 and \$4,956,051,681 for 2022.

⁽²⁾ Assessed valuation certified June 25, 2021 and reported by the State Department of Taxation.

Source: Property Tax Rates for Nevada Local Governments – State of Nevada – Department of Taxation.

County treasurers are responsible for the collection of property taxes and for the distribution of collections to the overlapping taxing entities within the county, including the State. Counties distribute property taxes when collected. The bulk of the property taxes are collected and distributed on a quarterly basis. Taxes on real property are due on the third Monday in August unless the taxpayer elects to pay in four installments, in which case the taxes can be paid in approximately equal installments on or before the third Monday in August and the first Mondays in October, January and March. Penalties are assessed if any taxes are not paid within 10 days after the due date as follows: 4% of the delinquent amount if one installment is delinquent, 5% of the delinquent amount plus accumulated penalties if two installments are delinquent, 6% of the delinquent amount plus accumulated penalties if three installments are delinquent and 7% of the delinquent amount plus accumulated penalties if four installments are delinquent. In the event the taxes remain delinquent as of the first Monday in June, the county treasurer is authorized to hold the property in trust for the benefit of the State and the county for two years, subject to redemption upon payment of taxes, penalties, interest and costs. If delinquent taxes are not paid within the two-year redemption period, the county treasurer obtains a deed to the property. Upon receipt of a deed, the county treasurer may sell the property after giving notice of sale. Upon order of the board of county commissioners, the property cannot be sold for a total amount less than the amount of the taxes, costs, penalties and interest legally chargeable against the property. As an alternative remedy with respect to certain delinquencies over \$1,000, the county’s district attorney may, and shall when directed by the board of county commissioners, commence a judicial foreclosure action against the delinquent taxpayer before the expiration of the two-year redemption period.

The assessed valuations of the ten largest owners of taxable property in the State for FY 2021 are listed in the following Table. However, the percentages listed below may not correlate to the actual amount of property tax paid by these entities due to abatement and other factors.

Table 6
Ten Largest Taxable Property Owners
(FY 2021)

	Taxpayer	Type of Business	Assessed Valuation⁽¹⁾ (35% of Taxable Value)	Percent of Total State Assessed Valuation⁽²⁾
1.	MGM Resorts International	Hotel/Casino	\$ 3,341,076,734	2.31%
2.	Nevada Gold Mines LLC	Mining	2,770,801,064	1.92
3.	NV Energy	Utility	2,466,540,975	1.71
4.	Caesar's Entertainment Corp.	Hotel/Casino	1,950,584,530	1.35
5.	Las Vegas Sands Corporation	Hotel/Casino	1,122,130,007	0.78
6.	Wynn Resorts Limited	Hotel/Casino	894,979,174	0.62
7.	The Blackstone Group	Real Estate	886,545,352	0.61
8.	Station Casinos Incorporated	Hotel/Casino	868,278,915	0.60
9.	Tesla Motors, Inc.	Automotive	533,142,740	0.37
10.	Howard Hughes Corporation	Developer	519,706,857	0.36
	Total		\$15,353,786,348	10.64%

⁽¹⁾ Assessed value is based on information from all Counties and the State Department of Taxation as of November 2020, for the 2020-2021 secured roll plus the 2019-2020 unsecured roll for all properties.

⁽²⁾ Based on assessed valuations for the State of \$144,323,763,007 (includes state-wide redevelopment agencies) as reported by the State Department of Taxation on June 25, 2020 Property Tax Rates for Nevada Local Governments, 2020-2021 (Redbook).

Source: State of Nevada – Department of Taxation.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

Clark County and Washoe County account for a significant majority of the State’s real property tax collections. The following Tables illustrate the ad valorem tax collection records for the two counties.

Table 7
Tax Levies, Collections and Delinquencies⁽¹⁾
Clark County, Nevada
(Unaudited)

Fiscal Year Ending June 30	Net Secured Roll Tax Levy⁽²⁾	Current Tax Collections⁽³⁾	Percent of Levy Collected⁽⁴⁾	Delinquent Tax Collections⁽⁵⁾	Total Tax Collections⁽⁶⁾	Total Taxes Collected as % of Current Levy⁽⁷⁾
2018	\$1,719,375,515	\$1,709,647,885	99.43%	\$9,350,390	\$1,718,998,275	99.98%
2019	1,838,952,898	1,830,055,636	99.52	8,117,253 ⁽⁸⁾	1,838,172,889	99.96
2020	1,986,811,689	1,973,950,857	99.35	10,359,259	1,984,310,116	99.87
2021	2,164,912,000	2,154,604,595	99.52	3,055,078	2,157,659,673	99.67
2022	2,371,434,660	755,898,073	31.88	-- ⁽⁹⁾	755,898,073 ⁽⁹⁾	31.88 ⁽⁹⁾

- (1) Represents the real property tax roll levies and collections as of August 31, 2021.
- (2) The adjusted county tax levied for the fiscal year.
- (3) The taxes collected within the fiscal year of the levy.
- (4) The percentage of taxes collected within the fiscal year of the levy (calculated on the net secured roll tax levy).
- (5) Tax collections in subsequent years.
- (6) Total tax collections to August 31, 2021.
- (7) The percentage of total taxes collected to August 31, 2021 (calculated on the net secured roll tax levy).
- (8) Decrease in delinquent tax collections in FY 2019 is the result of an adjustment to the classification of real property in Las Vegas. In FY 2020, the owner of property that had been assessed at a higher classification value in FY 2019 notified Clark County that the property would remain used in a manner that is designated at a lower classification value. As such, a correction was made for FY 2019 to its original valuation. This resulted in a significant tax refund in FY 2019.
- (9) Collections still in progress.

Source: Clark County Treasurer’s Office.

Table 8⁽¹⁾
Tax Levies, Collections and Delinquencies
Washoe County, Nevada

Fiscal Year Ending June 30	Net Secured Roll Tax Levy⁽²⁾	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Taxes Collected as % of Current Levy⁽³⁾
2018	\$472,929,524	\$471,229,251	99.64%	\$3,299,153	\$474,528,404	100.34%
2019	533,683,366	530,722,691	99.45	2,725,411	533,448,102	99.96
2020	535,122,536	532,811,164	99.57	2,646,350	535,457,514	100.06
2021	559,168,133	556,908,770	99.60	2,019,395	558,928,165	99.96
2022	594,155,391	225,500,617	37.95	(945,713) ⁽⁴⁾	224,554,904	37.79

- (1) Represents the real property tax roll levies for ad valorem taxes only, and collections as of September 15, 2021.
- (2) Includes Supplemental Real Estate billed as of September 15, 2021. Includes adjustments to levy.
- (3) Based on collections to net levy (actual levy less stricken taxes).
- (4) Negative delinquent tax collections are the result of property tax refunds issued by the Washoe County to certain property taxpayers as a result of a settlement agreement between Washoe County and those taxpayers related to a dispute over property tax assessments. Pursuant to the settlement agreement, Washoe County agreed to pay an estimated \$56 million in refunds between July 2021 and June 2024.

Source: Washoe County Treasurer’s Office.

Property Tax Limitations

Tax Relief Legislation in 2005. As of 2005, substantial increases in property values, particularly in southern Nevada, resulted in substantial increases in assessed valuation in the State (see “PROPERTY TAXATION—Property Tax Base and Tax Roll Collection” in this Part II). These increases were projected to result in substantial increases in property taxes for property owners in 2005 and subsequent years. Legislation was enacted in 2005 that caps year-to-year property tax increases by abating taxes which exceed 3% for the primary residence of homeowners. The abatement “cap” for property other than the primary residence of homeowners and certain residential rental property varies by county and is the lesser of (a) 8%; or (b) the greater of (i) the ten-year average annual percentage change of assessed values per county ending in the fiscal year the levy is made, or (ii) twice the percentage of increase in the federal Consumer Price Index for all Urban Consumers, U.S. City Average (All Items) for the preceding calendar year. This abatement cap formula may also be used in lieu of the 3% cap for primary residences if it yields a greater reduction in the property taxes of the homeowner. These limitations applied beginning July 1, 2005 and thus affected property taxes due in July 2005 and thereafter. This legislation also provides for the recapture of previously abated property in certain limited situations.

The State levies state-wide property taxes to repay its general obligation bonds (other than self-supporting bonds) as described under “PROPERTY TAXATION—State Tax Rates for Repayment of General Obligation Bonds” in this Part II, and the caps on increases in property tax revenues could limit the State’s issuance of additional general obligation bonds in the future under certain circumstances. The State does not expect the 2005 changes to adversely affect the State’s ability to continue to pay all of its outstanding general obligation bonds and other obligations as and when due.

In most jurisdictions within the State, most of the available abatement had been extinguished by the 2012-2013 tax year. However in recent years, as property values in many areas in the State have been increasing, the effect of the abatement caps in many cases is to limit increases in property tax revenues that would otherwise occur. In general, under the abatement caps, an increase in the assessed value of real property that is a result of market conditions (rather than new construction on the property) does not typically result in a proportionate increase in property tax receipts from that parcel.

Overlapping Property Tax Caps. Article 10, Section 2, of the Constitution of the State of Nevada limits the total ad valorem property taxes levied by all overlapping governmental entities within the boundaries of any county (i.e., the State, and any county, city, town, school district or special district) to an amount not to exceed five cents per dollar of assessed valuation (\$5.00 per \$100 of assessed valuation) of the property being taxed. Further, the combined overlapping tax rate is limited by statute to \$3.64 per \$100 of assessed valuation in all counties of the State with certain statutory exceptions that (a) permit a combined overlapping tax rate of up to \$5.00 per \$100 of assessed valuation in certain circumstances, including severe financial emergency in a particular local government as determined by the State Department of Taxation and the State Tax Commission, and (b) permit \$0.02 of the state-wide property tax rate per \$100 of assessed valuation to repay certain general obligation bonds not to be counted against the \$3.64 cap. State law provides a priority for taxes levied for the payment of general obligation bonded indebtedness, in that in any year in which the proposed tax rate to be levied by overlapping entities within a county exceeds any rate limitation, a reduction must be made by those entities for purposes other than the payment of general obligation bonded indebtedness (including interest). There are a number of express statutory exceptions to these overlapping tax rate limitations. The overlapping tax rate in all jurisdictions within the State is currently at or below the currently permitted statutory limit. See Table 11 in this Part II.

Local Government Property Tax Revenue Limitation. State statutes limit the revenues local governments, other than school districts, may receive from ad valorem property taxes for purposes other than paying certain general obligation indebtedness. This rate is generally limited as follows: the assessed value of property is first differentiated between that for property existing on the assessment rolls in the prior year (old property) and new property. Second, the property tax revenue derived in the prior year is increased by no more than 6% and the tax rate to generate the increase is determined against the current assessed value of the old property. Finally, this tax rate is applied against all taxable property to produce the allowable property tax revenues. This formula operates to limit property tax revenue dependent upon changes in the value of old property and the growth and value of new property. A local government may exceed the property tax revenue limitation if the proposal is approved by its electorate at a general or special election. In addition, the Executive Director of the Department of Taxation will add to the allowed revenue

from ad valorem taxes the amount approved by the State Legislature for the costs to a local government of any substantial programs or expenses required by legislative enactment. If revenue available from the supplemental city-county relief tax to the county as determined by the Executive Director of the Department of Taxation is less than the amount of money that would be generated by applying a tax rate of \$1.15 per \$100 of assessed valuation to the assessed valuation of the county, except any assessed valuation attributable to the net proceeds of minerals tax, the governing body of each local government may levy an additional tax ad valorem for operating purposes. This calculation is known as the supplemental city-county relief tax make up rate and is further explained in NRS 354.59813.

Additional Local Government Property Tax Not Subject to Local Government Property Tax Revenue Limitation. In addition to the property taxes described above under the heading "PROPERTY TAXATION," counties may levy an ad valorem tax on all taxable property at a maximum rate of \$0.05 per \$100 of assessed valuation of the county. The proceeds of the tax are to be distributed between the county and the cities and towns within the county based on a specific formula, except as described in the following sentence. For counties with a population of 100,000 or more (currently Clark County and Washoe County only), and in accordance with AB 595 (74th (2007) Session), 40% of the proceeds of the tax are allocated to the county and the cities and towns within the county, and the remaining 60% of proceeds are deposited into the State Highway Fund for use in the construction and maintenance of public highways in the county.

An additional tax levy (outside the annual rate increase limitation) of up to \$0.05 per \$100 of assessed valuation is permitted for counties to cover the expenses of maintaining a county museum, art center or historical society. This levy is allowed under NRS 244.377.

School District Property Taxes. School districts levy \$0.75 per \$100 of assessed valuation for operating purposes. They are allowed an additional levy for voter approved general obligation bonds and capital project tax levies.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

State Tax Rates for Repayment of General Obligation Bonds

The State levies a state-wide property tax on all taxable property to repay its outstanding general obligation bonds, other than self-supporting bonds, and the State’s property tax rate is not calculated to cover debt service on these self-supporting bonds. Table 2 identifies, among other things, the State’s general obligation bonds that are not characterized as self-supporting and that currently are being repaid with state-wide property taxes. See Table 9 below for a schedule of principal and interest payment requirements for such bonds. This Table presents information as of November 1, 2021 and does not reflect the planned issuance of the 2021A Bonds, the 2021B Bonds, the 2021C Bonds, the 2021D Bonds, the 2021E Bonds, or the 2021F Bonds described in this Official Statement, or the refunding of certain bonds with a portion of the proceeds thereof. All state-wide property taxes collected by the State for the purpose of repayment of the State’s general obligation bonds are deposited in the Consolidated Bond Interest and Redemption Fund. See Table 10 for the amount of the current tax levied by the State for general obligation debt and for the amounts of state-wide property taxes deposited (or for FY 2022, estimated to be deposited) in the Consolidated Bond Interest and Redemption Fund for FY 2018-2023.

Table 9
State Debt Service On Outstanding Bonds Paid With State-Wide Property Tax⁽¹⁾
 (As of November 1, 2021)

Fiscal Year	Principal	Interest	Total Debt Service
2022	\$81,323,000	\$20,546,352	\$101,869,352
2023	108,464,000	35,211,979	143,675,979
2024	99,449,000	29,752,304	129,201,304
2025	103,197,000	24,786,634	127,983,634
2026	105,212,000	19,346,774	124,558,774
2027	106,620,000	14,090,434	120,710,434
2028	36,833,000	10,092,634	46,925,634
2029	33,555,000	8,456,675	42,011,675
2030	24,875,000	6,975,450	31,850,450
2031	28,010,000	5,936,906	33,946,906
2032	25,960,000	4,925,056	30,885,056
2033	26,880,000	3,998,981	30,878,981
2034	25,105,000	3,102,822	28,207,822
2035	25,780,000	2,282,541	28,062,541
2036	18,830,000	1,494,656	20,324,656
2037	18,600,000	971,331	19,571,331
2038	9,105,000	439,744	9,544,744
2039	9,320,000	222,506	9,542,506
Total	\$887,118,000	\$192,633,779	\$1,079,751,779

⁽¹⁾ This Table excludes debt service on self-supporting bonds.

Source: State of Nevada Treasurer.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

Table 10 illustrates the property tax rates levied by the State and the state-wide property tax revenues collected or estimated to be collected from such levy since 2018 to repay general obligation bonds that are not expected to be paid from other sources.

Table 10
Property Tax Rates Levied and Property Tax Revenues Collected
to Repay General Obligation Bonds

Fiscal Year	Tax Rate Per \$100 of Assessed Valuation	Property Tax Revenues ⁽¹⁾
2018	\$0.17	\$157,498,797
2019	0.17	165,961,360
2020	0.17	176,446,528
2021	0.17	192,902,313 ⁽²⁾
2022	0.17	193,266,774 ⁽³⁾⁽⁴⁾
2023	0.17	206,828,739 ⁽³⁾⁽⁴⁾

- (1) Represents the amount of property taxes deposited to the Consolidated Bond Interest and Redemption Fund.
- (2) Actual as of September 30, 2021 (unaudited).
- (3) Estimated in the preparation of the State’s 2021-2023 biennium budget.
- (4) Includes the reduction of revenues due to proposed Washoe County property tax refunds of \$2.9 million. See footnote (4) of Table 8, “Tax Levies, Collections and Delinquencies, Washoe County, Nevada” for a discussion of these property tax refunds.

Source: Property Tax Rates for Nevada Local Governments, State of Nevada Department of Taxation and the State of Nevada Treasurer’s Office.

The State’s current debt management policy has as an objective to have a reserve within the Consolidated Bond Interest and Redemption Fund balance at the end of each fiscal year equal to at least 50% of the next fiscal year’s debt service payments on its general obligation bonds (exclusive of those bonds considered to be self-supporting and paid by other available revenues) after deducting amounts within the fund that are set aside for purposes other than payment of debt service. The projected balances are based on assumptions regarding annual property tax collections, annual debt service payments and other adjustments as warranted. The unaudited June 30, 2021 (FY 2021 ending balance) reserve amount in the Consolidated Bond Interest and Redemption Fund was \$158,087,249, which amount is equal to approximately 96% of the debt service payments that are scheduled to be made on all general obligation bonds (exclusive of those bonds or portions thereof considered to be self-supporting and paid by other available revenues) that are payable from property taxes during FY 2022 (not inclusive of the 2021A Bonds, the 2021B Bonds, the 2021C Bonds, the 2021D Bonds, the 2021E Bonds, or the 2021F Bonds or the refunding of certain bonds with a portion of the proceeds thereof). The estimated balance in the Consolidated Bond Interest and Redemption Fund as of such date is \$184,315,864.

Although the State manages its general obligation debt to ensure that the State can pay its debt service within the existing property tax rate of \$0.17/\$100 assessed value, the State is able to increase the \$0.17 rate within the constitutional limitation on the combined overlapping tax rate of \$5.00 per \$100 of assessed valuation through action by the State Legislature. While the statutory maximum on the combined overlapping tax rate of \$3.64 per \$100 of assessed valuation may be exceeded in certain jurisdictions with any increase, the State Legislature has the ability to enact a tax that exceeds that statutory maximum but is limited to the constitutional maximum of \$5.00 per \$100 of assessed valuation. See Table 11 and “PROPERTY TAXATION—Property Tax Limitations—Overlapping Property Tax Caps” in this Part II.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

The overlapping tax rate in all jurisdictions within the State is currently at or below the currently permitted statutory maximum. The following Table shows five years of overlapping tax rates in the City of Las Vegas and the City of Reno, as well as the average state-wide rate. The overlapping rates for incorporated and unincorporated areas within the State vary, depending on the rates imposed by applicable taxing jurisdictions.

Table 11⁽¹⁾
Overlapping Tax Rates: State-Wide Average,
Las Vegas and Reno

Fiscal Year Ended June 30	2018	2019	2020	2021	2022
AVERAGE STATE-WIDE RATE	\$3.1615	\$3.1572	\$3.2218	\$3.1878	\$3.1037
CITY OF LAS VEGAS					
Clark County	\$0.6541	\$0.6541	\$0.6541	\$0.6541	\$0.6541
Clark County School District	1.3034	1.3034	1.3034	1.3034	1.3034
City of Las Vegas	0.7715	0.7715	0.7715	0.7715	0.7715
Clark County Library District	0.0942	0.0942	0.0942	0.0942	0.0942
Las Vegas Metro Police	0.2850	0.2850	0.2850	0.2850	0.2850
State of Nevada ⁽²⁾	0.1700	0.1700	0.1700	0.1700	0.1700
TOTAL	\$3.2782	\$3.2782	\$3.2782	\$3.2782	\$3.2782
CITY OF RENO					
City of Reno	\$0.9598	\$0.9598	\$0.9598	\$0.9598	\$0.9598
Washoe County	1.3917	1.3917	1.3917	1.3917	1.3917
Washoe County School District	1.1385	1.1385	1.1385	1.1385	1.1385
State of Nevada ⁽²⁾	0.1700	0.1700	0.1700	0.1700	0.1700
TOTAL	\$3.6600	\$3.6600	\$3.6600	\$3.6600	\$3.6600

⁽¹⁾ Per \$100 of assessed valuation.

⁽²⁾ \$0.02 of the State rate is exempt from the \$3.64 statutory cap. See “PROPERTY TAXATION—Property Tax Limitations—Overlapping Property Tax Caps” above.

Source: Property Tax Rates for Nevada Local Governments - State of Nevada Department of Taxation.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

FINANCIAL INFORMATION

Financial Statements

The State Controller prepares an annual comprehensive financial report setting forth the financial condition of the State as of June 30 of each fiscal year. Appendix A to this Part II consists of the 2020 State ACFR, excluding the Introductory Section and Statistical Section. Appendix B to this Part II consists of the State's History of General Fund Revenues, Expenditures and Changes in Fund Balances for FY 2016, 2017, 2018, 2019 and 2020 which is derived from the annual comprehensive financial reports for FY 2016-2020. The annual comprehensive financial report for FY 2021 is expected to be completed in February 2022. See "INVESTMENT CONSIDERATIONS—Impacts of COVID-19 Pandemic" in Part I of this Official Statement. FY 2021 actual revenues were \$226.2 million (unaudited), or 5.3%, above the May 2021 Economic Forum Forecast Adjusted for 2021 Legislative Actions and Court Decisions. Despite the better than expected outcome, the FY 2021 actual revenue was \$121.7 million (unaudited) below the pre-pandemic FY 2021 Legislative Adjusted Economic Forum Forecast when the initial FY 2021 budget was enacted.

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 to 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. See Table 12 for a summary of actual General Fund revenues for FY 2018 through FY 2021 (unaudited) and the revenue estimate for FY 2022 and FY 2023 as provided in the May 2021 Economic Forum Forecast Adjusted for 2021 Legislative Actions and Court Decisions, which is attached as Appendix C to this Part II.

Estimates and projections described herein speak only as of their date 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. The COVID-19 pandemic and its fiscal impact on the State is discussed under "—The 31st Special Session of the Legislature", "—COVID-19 Federal Aid" as well as under "—2021-2023 Biennium" in this Part II and under "INVESTMENT CONSIDERATIONS—Impacts of COVID-19 Pandemic" in Part I of this Official Statement. Periodic reports on certain revenues during the fiscal year are issued by the State Department of Taxation and the Gaming Control Board. See Table 24 for information concerning taxable transactions and Table 25 for information concerning gaming revenues and total gaming taxes. Note that the proceeds of the state-wide property tax levied for general obligation bonds are deposited into a separate fund within the State Treasury (the Consolidated Bond Interest and Redemption Fund) and not the General Fund.

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/or 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 the Public Employees' Retirement System, 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 included in legislation 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 FY 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 FY 2020 triggered a transfer to the Stabilization Account in FY 2021 and it is expected that based on the projected unaudited General Fund unrestricted ending fund balance for FY 2021, it will trigger another transfer to the Stabilization Account in FY 2022. See "FINANCIAL INFORMATION—Account to Stabilize the Operation of State Government and Other Contingency Accounts" below.

General Fund

The purpose of the General Fund is to finance the ordinary operations 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. As shown in the financial statements, the State has numerous other funds, including Special Revenue Funds, Enterprise Funds, Internal Service Funds and Fiduciary Funds. Money on deposit in the Special Revenue Funds is 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 facilities 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.

Tables 12, 13, and 14 reflect General Fund revenues and appropriations and General Fund projections on a budgetary or cash basis. Table 12 shows actual revenues for FY 2018 through FY 2021 (unaudited) and the revenue forecast for FY 2022 and FY 2023 based on the May 2021 Economic Forum Forecast Adjusted for 2021 Legislative Actions and Court Decisions. The data in Table 13 and Table 14 are taken from the Nevada Legislative Appropriations Reports of odd numbered years published by the Fiscal Analysis Division of the Legislative Counsel Bureau in November or from information compiled by the Governor's Finance Office. Table 14 depicts General Fund unappropriated balances and reflects revenue collections and State agency expenditure information. The information in the 2020 State ACFR, which also include unappropriated balances (see Appendix A to this Part II), are presented on the basis of generally accepted accounting principles ("GAAP") rather than a budgetary basis. See Note 2 in the 2020 State ACFR for reconciliation between data on a budgetary basis and a GAAP basis. Also, see the history of General Fund operations presented on a GAAP basis in Appendix B to this Part II.

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 money is 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

General. 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. The proceeds of the state-wide property tax levied for general obligation bonds are not General Fund revenue.

The following taxes provide the State's General Fund with its major sources of income. Table 12 sets forth the actual amounts of the various General Fund revenues described below for FY 2018 through 2021 (unaudited), and the revenue forecast for 2022 and FY 2023 based on the May 2021 Economic Forum Forecast Adjusted for 2021 Legislative Actions and Court Decisions, which is included in Appendix C to this Part II.

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, most services, and aircraft and major components thereof based in Nevada. See "ECONOMIC AND DEMOGRAPHIC INFORMATION—Sales and Use Tax" in this Part II. 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%. Current sales and use tax rates for Clark County and Washoe County are 8.375% and 8.265% (inclusive of the 2.0% received by the State), respectively. The sales tax rate in Clark County increased 0.125% from 8.25% to 8.375%, effective January 1, 2020.

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 "ECONOMIC AND DEMOGRAPHIC INFORMATION—Gaming and Tourism" in this Part II.

Modified Business Tax. The State levies a tax, known as the modified business tax (the "MBT"), 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 1.853%. The rate for all other businesses is 1.378% 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 or North American Industry Classification System ("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 provisions provide for a credit against a business's MBT 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 MBT payments for the current fiscal year, but any amount of credit not used cannot be carried forward and used in succeeding fiscal years.

The original legislation also provided in an even numbered fiscal year that if the combined revenues from the taxes imposed by the MBT and the commerce tax exceeded the anticipated revenues for those taxes projected by the Economic Forum by more than 4%, as adjusted by any legislation enacted by the Legislature that affects state revenue for that fiscal year, the Department of Taxation shall determine the MBT rate for both financial and mining and non-financial entities which would have generated a combined revenue of 4% more than the amount anticipated. The MBT rates for financial and mining and non-financial entities were then to be reduced in the proportion that the actual amount collected from each tax for the preceding fiscal year bears to the total combined amount collected from both the financial and mining and non-financial MBTs for the preceding year. The rates determined from this calculation were set to go into effect on July 1 of the odd-numbered year immediately following the year in which the determination was made. The revised rates were to be rounded to the nearest one-thousandth of a percent. The revised

rate for the MBT for non-financial institutions could not go below 1.17% and if the revised rate for the MBT for non-financial entities was at or below 1.17%, the calculations were no longer required and the rates for both financial and mining institution and non-financial institution entities were not to be adjusted further. In FY 2018, combined collections came in 10.1% above forecast, triggering the MBT rate “buy-down” for the MBT rates, scheduled to begin July 1, 2019. The MBT of non-financial businesses was to be reduced to 1.378% from 1.475% for all taxable wages in excess of \$50,000 per calendar quarter, and the MBT rate for financial and mining companies were to be reduced to 1.853% from 2% for all taxable wages.

However, the 80th (2019) Regular Session passed SB551, which repealed the provisions for MBT rate “buy-down. SB551 also provided that the MBT rates for businesses were to remain at the rates that were in place prior to the scheduled decrease determined by the FY 2018 MBT rate “buy-down” calculation. After the 2019 Regular Legislative session, a lawsuit was filed challenging SB551, and the Nevada Supreme Court upheld a First Judicial District Court ruling that certain actions taken by the Legislature in SB551 were unconstitutional. The rates for the Modified Business Tax were reduced, effective April 1, 2021, to the amounts determined by the Department of Taxation on or before September 30, 2018. In addition, the court decision restored the MBT rate “buy-down” calculation to be performed by the Department of Taxation in each even numbered fiscal year. See “FINANCIAL INFORMATION – 2021-2023 Biennium” herein for a discussion of the impacts of the Nevada Supreme Court decision and “STATE LITIGATION” herein for a discussion of this court case.

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 cigarette tax of \$1.80 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 is 0.25%.

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

Liquor Taxes. The liquor tax is an excise tax that is 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 liquor 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 State Legislature required the advance payment on the net proceeds of minerals tax in FY 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 31st (2020) Special Session approved legislation that required the advance payment on the net proceeds of minerals tax in FY 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. See “FINANCIAL INFORMATION—The 31st Special Session of the Legislature.”

Marijuana Excise Tax History

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. Statute provided that 25% of the revenue was 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 “—Adult-Use 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 adult-use recreational marijuana by ballot initiative in 2016, allowing those 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 cannabis 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 adult-use recreational sales on January 1, 2018. In May 2017, the Department of Taxation approved regulations for implementing the ballot initiative early allowing adult-use recreational sales to begin on July 1, 2017.

The 2017 State Legislature made several changes to the medical marijuana program. The medical marijuana establishment program was administered by the Department of Taxation, while the Division of Public and Behavioral Health maintained administration of the medical marijuana patient cardholder registry. The 2017 State Legislature also 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 prevented the need for marijuana establishments to have separate inventories for medical and adult-use recreational marijuana.

Revenue from the 15% wholesale excise tax was 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 was 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. Revenue from the 10% retail excise tax was transferred to the reserve for the stabilization of the operation of the State in FY 2018 and FY 2019. See “FINANCIAL INFORMATION—Account to Stabilize the Operation of State Government and Other Contingency Accounts” below.

The 2019 Legislature directed the revenue collected from the 10% excise retail tax on marijuana, which was directed to the reserve for the stabilization of the operation of the State, to be deposited in the State Distributive School Account beginning FY 2020.

Licenses for marijuana establishments were initially awarded by the Department of Taxation. Beginning July 1, 2020, that function was assumed by the Nevada Cannabis Compliance Board (“CCB”), which was established during the 2019 Legislative Session and now handles the regulation of licensing and operations in the cannabis industry. Revenue from the 15% wholesale excise tax is now allocated to the Cannabis Control Board and local governments to cover costs related to the program, with any remaining revenue allocated to the State Education Fund.

Tax Credit Programs

The general purpose of a tax credit program is to encourage business growth, job creation and workforce development in the State. The 77th (2013), 78th (2015), 79th (2017), 80th (2019), and 81st (2021) Regular Sessions and 28th (2014) Special Session authorized and/or made changes to several tax credit programs.

Tax credit programs can directly reduce the tax liability of a taxpayer and thereby decrease certain General Fund revenue collections. The General Fund revenue estimates in Table 12 for FY 2022 and FY 2023 are based on the May 2021 Economic Forum Forecast Adjusted for 2021 Legislative Actions and Court Decisions. This table also shows actual tax credits taken and the amount projected that may be taken against certain General Fund revenues based on either current law or information provided by the agencies administering the various tax credit programs.

Transferable Film Tax Credit Program. The 77th (2013) Regular Session authorized a four-year pilot program of transferable tax credits issued for qualified film productions completed in the State that may be used against the MBT, insurance premium tax and/or the gaming percentage fee tax. The legislation authorized up to \$20 million per fiscal year for a total of \$80 million. However, the provisions of the pilot program were amended in the 28th (2014) Special Session, reducing the total amount of credits that may be approved to \$10 million.

The 78th (2015) Regular Session made the transferable film tax credit program permanent but limited the amount of transferable tax credits to the amount appropriated by the State Legislature for that purpose for that fiscal year. Currently, a total of \$10 million per year in film tax credits may be awarded by Governor's Office of Economic Development (GOED). The law allows any unissued tax credits to be issued in a subsequent fiscal year.

Nevada New Market Jobs Act Tax Credit Program. The 77th (2013) Regular Session authorized the Nevada New Market Jobs Act which allows insurance companies to receive a credit against the insurance premium tax in exchange for a qualified equity investment in one or more community development organizations, primarily for local or minority-owned entities in under-served zones in the State.

The State Department of Business and Industry may certify up to \$200 million in qualified equity investments. In exchange for making the qualified equity investment, insurance companies are entitled to receive a credit against the insurance premium tax in an amount equal to 58% of the total qualified equity investment certified by the Department of Business and Industry. The credits may be taken in increments beginning on the second anniversary date of the original investment as follows:

- 2 years after the investment is made: 12% of the qualified investment;
- 3 years after the investment is made: 12% of the qualified investment;
- 4 years after the investment is made: 12% of the qualified investment;
- 5 years after the investment is made: 11% of the qualified investment;
- 6 years after the investment is made: 11% of the qualified investment.

Under the provisions of the program, the insurance companies were allowed to begin taking tax credits in the third quarter of FY 2015. All available tax credits available as authorized by the 2013 Legislation were awarded by the end of FY 2021.

The 80th (2019) Regular Session authorized an additional \$200 million in qualified equity investments that may be certified by the Department of Business and Industry, effective July 1, 2019, with a total of \$116 million of credits that may be taken based on the increment percentages originally approved by the 2013 Legislature. No credits may be taken against the Insurance Premium Tax before July 1, 2021 (FY 2022).

Economic Development Transferable Tax Credit Program. The 28th (2014) and 29th (2015) Special Sessions required the Governor's Office of Economic Development ("GOED") to issue transferable tax credits for certain qualifying projects that may be used against the MBT, insurance premium tax and/or the gaming percentage fee tax.

The 2014 legislation defined a top tier qualifying project as one required to be located within the geographical borders of the State of Nevada, which makes a total new capital investment in the State of at least \$3.5 billion during the 10-year period immediately following approval of the application, and employs Nevada residents in at least half of the project's construction jobs and operational jobs.

The amount of transferable tax credits for the top tier project is equal to \$12,500 for each qualified employee employed by the participants in the project (to a maximum of 6,000 employees), plus 5% of the first \$1 billion and

2.8% of the next \$2.5 billion in new capital investment in the State made collectively by the participants in the qualifying project.

The amount of tax credits approved by GOED for top tier projects may not exceed \$45 million per fiscal year (although any unissued credits may be issued in a subsequent fiscal year), and GOED may not issue total tax credits in excess of \$195 million under the program. The program will expire on June 30, 2036. Any unissued tax credits can be issued in future fiscal years within the limits of the program.

Tax credits issued for the Tesla project under this program were fully redeemed between FY 2016 and FY 2020. As of the date hereof, no other credits have been issued under this program.

The 2015 legislation defined a mid-tier qualifying project as one required to be located within the geographical borders of the State of Nevada, which makes a total new capital investment in the State of at least \$1 billion during the 10-year period immediately following approval of the application, and employs Nevada residents in at least half of the project's construction jobs and operational jobs. An applicant can request a waiver of the resident employment requirements if it can provide proof satisfactory to the Executive Director of GOED that there are an insufficient number of Nevada residents available and qualified for such employment.

The amount of transferable tax credits for the mid-tier project is equal to \$9,500 for each qualified employee employed by the participants in the project (to a maximum of 4,000 employees).

The amount of tax credits approved by GOED for mid-tier projects may not exceed \$7.6 million per fiscal year (although any unissued credits may be issued in a subsequent fiscal year) starting in FY 2018, and GOED may not issue total tax credits in excess of \$38 million under the program. The program will expire on June 30, 2025.

As of the date hereof, no other credits have been issued under this program.

Nevada Educational Choice Scholarship Tax Credit Program. The 78th (2015) Regular Session authorized a taxpayer who makes a donation of money to certain scholarship organizations to receive a dollar-for-dollar credit against the taxpayer's liability for the MBT.

The total amount of tax credits that may be approved by the Department of Taxation for this program is \$5 million in FY 2016, \$5.5 million in FY 2017 and 110% of the total amount of credits authorized in the previous year for all subsequent fiscal years. The law allows unused tax credits to be carried forward for up to five years.

The 79th (2017) Regular Session approved an additional \$20 million in tax credits against the MBT under this program in FY 2018.

The 80th (2019) Regular Session enacted AB458, which permanently eliminated the 10% increase in the amount of credits that may be authorized in each year, capping the total amount that may be authorized in each year at \$6,655,000 beginning in FY 2020. In addition, a clarification was made that the \$6,655,000 limit per year applies to the combined credits that may be taken under both chapters of the MBT (Chapters 363A and 363B), rather than as a separate limit for each chapter. The 2019 Regular Session of the Legislature also authorized an additional \$4,745,000 in credits that may be taken against the MBT (Chapters 363A and 363B combined) under this program per year in FY 2020 and FY 2021. Any amount of the \$4,745,000 in credits that is not approved by the Department in each fiscal year may be issued in future fiscal years. A lawsuit was filed to challenge the constitutionality of AB458 that eliminated the 10% increase in the amount of tax credits. In October 2021, the Nevada Supreme Court ruled against the plaintiffs and held that AB458 was constitutional.

The 81st (2021) Regular Session authorized an additional \$4,745,000 in credits against the MBT (Chapters 363A and 363B combined) under this program per year in FY 2022 beyond those that are authorized by the 2019 Legislature. Any amount of the \$4,745,000 in credits that is not approved by the Department in FY 2022 may be issued in future fiscal years.

Catalyst Account Transferable Tax Credit Program. The 78th (2015) Regular Session authorized GOED to approve transferable tax credits that may be used against the MBT, insurance premium tax and gaming percentage fee tax to new or expanding businesses to promote the economic development of Nevada. The 29th (2015) Special Session modified the amount of transferable tax credits that may be issued.

Currently, the total amount of transferable tax credits that may be issued is \$5 million in each fiscal year.

College Savings Plan Employer Matching Employee Contribution Tax Credit Program. The 78th (2015) Regular Session authorized a tax credit against the MBT to certain employers who match the contributions of an employee to one of the college savings plans offered through the Nevada Higher Education Prepaid Tuition Program and/or the Nevada College Savings Program.

The provisions relating to the Nevada College Savings Program were effective January 1, 2016 and provisions relating to the Higher Education Prepaid Tuition Program were effective July 1, 2016.

The amount of the tax credit is equal to 25% of the matching contribution, not to exceed \$500 per contributing employee per year, and any unused credits may be carried forward for up to 5 years.

Affordable Housing Transferable Tax Credit. The 80th (2019) Regular Session authorizes the Housing Division of the Department of Business and Industry to approve a total of \$40 million of transferrable tax credits that may be used against the MBT, insurance premium tax, and gaming percentage fee tax. The Division may award up to \$10 million in transferable tax credits per year to persons who develop affordable housing projects in Nevada over the four years of the pilot program, but may award an additional \$3 million in credits in any fiscal year if the issuance of the credits is necessary for the development of additional affordable housing projects in the State. If the Division approves any credits in excess of \$10 million in a fiscal year, the amount to be awarded in the next fiscal year must be reduced by the amount in excess of \$10 million that was issued in the previous fiscal year. If the Division does not issue all of the \$10 million in credits authorized in a fiscal year, that amount is carried forward and may be issued in a subsequent fiscal year.

The 81st (2021) Regular Session made several changes to this tax credit program, including revising the procedure for the issuance of transferable tax credits so that transferable tax credits are issued before, rather than after, the project is completed; removing the 4-year sunset provisions originally established by the 2019 Legislature, making the program permanent; and clarifying that the maximum amount of tax credits that may be issued under the program remains at \$40 million as established in the 2019 Regular Session.

Table 12 shows actual revenues for FY 2018 through FY 2021 (unaudited) and the revenue forecast for FY 2022 and FY 2023 based on the May 2021 Economic Forum Forecast Adjusted for 2021 Legislative Actions and Court Decisions.

Table 12⁽¹⁾
General Fund Revenues
(Dollar Amounts in Thousands)

General Fund Revenue Sources	Fiscal Year Ended June 30 2021 Share of Total Fund ⁽³⁾	Actual								Economic Forum Forecast ⁽²⁾			
		2018		2019		2020		2021*		2022		2023	
		Actual Amount	Change	Actual Amount	Change	Actual Amount	Change	Actual Amount	Change	Forecast Amount	Change	Forecast Amount	Change
Sales Tax	30.5%	\$1,189,227	4.9%	\$1,284,696	8.0%	\$1,263,939	-1.6%	\$1,380,573	9.2%	\$1,355,285	-1.8%	\$1,441,740	6.4%
Gaming Taxes ⁽³⁾	15.8	785,515	3.3	801,951	2.1	645,453	-19.5	713,927	10.6	739,220	3.5	793,435	7.3
Modified Business Tax ⁽³⁾⁽⁴⁾	14.2	655,635	5.1	697,410	6.4	704,744	1.1	641,455	-9.0	705,519	10.0	753,606	6.8
Insurance Taxes ⁽³⁾	10.9	418,935	8.8	443,699	5.9	460,137	3.7	492,970	7.1	500,118	1.4	526,952	5.4
Live Entertainment Tax	0.2	125,409	-3.0	131,256	4.7	91,336	-30.4	11,080	-87.9	61,450	454.6	118,497	92.8
Cigarette Tax	3.4	160,665	-11.1	164,393	2.3	156,695	-4.7	152,702	-2.5	145,743	-4.6	141,549	-2.9
Real Property Transfer Tax	3.0	103,390	23.1	101,045	-2.3	100,267	-0.8	133,908	33.6	125,739	-6.1	122,521	-2.6
Liquor Tax	1.0	44,195	0.7	44,791	1.3	42,313	-5.5	43,549	2.9	42,635	-2.1	44,118	3.5
Business License Fee	2.5	109,298	4.2	110,337	1.0	103,063	-6.6	113,217	9.9	109,478	-3.3	111,255	1.6
Mining Taxes and Fees ⁽⁵⁾⁽⁶⁾	3.9	63,522	151.4	50,354	-20.7	57,159	13.5	177,619	210.7	159,828	-10.0	152,063	-4.9
Commerce Tax	4.9	201,927	2.1	226,770	12.3	204,984	-9.6	221,958	8.3	228,516	3.0	242,314	6.0
Transportation Connection Excise Tax	0.4	21,773	-5.7	30,217	38.8	19,869	-34.2	17,141	-13.7	17,594	2.6	29,266	66.3
Other Taxes ⁽⁷⁾	3.1	44,494	-27.1	47,391	6.5	52,117	10.0	141,349	171.2	65,562	-53.6	67,853	3.5
Total Taxes	93.6%	\$3,923,984	4.6%	\$4,134,309	5.4%	\$3,902,074	-5.6%	\$4,241,448	8.7%	\$4,256,687	0.4%	\$4,545,169	6.8%
Licenses	3.4	138,946	6.1	138,628	-0.2	136,927	-1.2	151,733	10.8	143,226	-5.6	147,568	3.0
Fees & Fines	1.2	66,449	11.7	68,574	3.2	54,013	-21.2	56,180	4.0	55,891	-0.5	61,377	9.8
Interest Income and Other Repayments	0.2	9,560	146.7	19,332	102.2	21,122	9.3	9,704	-54.1	9,727	0.2	15,110	55.3
Other Revenue	1.6	50,986	3.0	46,771	-8.3	55,577	18.8	70,258	26.4	48,408	-31.1	48,983	1.2
Subtotal	6.4%	\$265,940	9.0%	\$273,304	2.8%	\$267,639	-2.1%	\$287,875	7.6%	\$257,252	-10.6%	\$273,038	6.1%
Total General Fund Before Tax Credits	100.0%	\$4,189,925	4.8%	\$4,407,614	5.2%	\$4,169,713	-5.4%	\$4,529,323	8.6%	\$4,513,938	-0.3%	\$4,818,207	6.7%
Tax Credits:													
Commerce Tax Credit	n/a	(57,817)	n/a	(44,970)	n/a	(50,841)	n/a	(43,107)	n/a	(44,611)	n/a	(47,632)	n/a
Film Transferrable Tax Credits	n/a	0	n/a	(1,520)	n/a	(338)	n/a	(3,864)	n/a	(5,000)	n/a	(6,000)	n/a
Economic Development Transferrable Tax Credits	n/a	(73,832)	n/a	(41,944)	n/a	(21,913)	n/a	0	n/a	0	n/a	0	n/a
Catalyst Account Transferrable Tax Credits	n/a	(355)	n/a	0	n/a	(300)	n/a	0	n/a	0	n/a	0	n/a
Nevada New Market Jobs Act Tax Credits	n/a	(23,235)	n/a	(19,611)	n/a	(7,775)	n/a	(912)	n/a	(24,000)	n/a	(24,000)	n/a
Education Choice Scholarship Tax Credits	n/a	(15,975)	n/a	(12,065)	n/a	(11,300)	n/a	(7,115)	n/a	(11,400)	n/a	(11,400)	n/a
College Savings Plan Tax Credits	n/a	0	n/a	(1)	n/a	0	n/a	(0)	n/a	(3)	n/a	(3)	n/a
Affordable Housing Transferrable Tax Credits	n/a	n/a	n/a	n/a	n/a	0	n/a	0	n/a	(3,000)	n/a	(10,000)	n/a
Total Tax Credits	n/a	(171,213)	n/a	(120,109)	n/a	(92,466)	n/a	(54,998)	n/a	(88,014)	n/a	(99,035)	n/a
Total General Fund After Tax Credits	n/a	\$4,018,711	3.6%	\$4,287,504	6.7%	\$4,077,247	-4.9%	\$4,474,325	9.7%	\$4,425,925	-1.1%	4,719,173	6.6%

(1) The numbers set forth in this Table are prepared using a budget method of accounting and may differ from the corresponding numbers set forth in the 2020 State ACFR. Totals may not add due to rounding.

(2) May 2021 Economic Forum Forecast Adjusted for 2021 Legislative Actions and Court Decisions.

(3) Gaming Taxes, Modified Business Taxes and Insurance Taxes are reported as gross revenue (before tax credits).

(4) On May 13, 2021, the Nevada Supreme Court upheld a First Judicial District Court ruling that certain actions taken by the Legislature in SB551 were unconstitutional. See "FINANCIAL INFORMATION – 2021-2023 Biennium" herein for a discussion of the revenue impacts of the Nevada Supreme Court decision and "STATE LITIGATION" herein for a discussion of this court case..

(5) The 31st Special Session approved an advanced payment of the net proceeds of minerals in FY 2021 based on the estimated net proceeds for the calendar year 2021 for the General Fund portion only. See "FINANCIAL INFORMATION—State General Fund Revenue Sources—Net Proceeds of Minerals Taxes."

(6) The 81st Regular Session imposes an annual tax on each business entity engaged in the business of extracting gold or silver in the State whose Nevada gross revenue in a taxable year exceeds \$20 million, effective July 1, 2021. The tax rate is 0.75% of all taxable revenue in excess of \$20 million, but not more than \$150 million; and 1.1% of all Nevada gross revenue in excess of \$150 million. The proceeds from this tax are to be deposited in the State General Fund in FY 2022 and FY 2023 only. Beginning in FY 2024, the revenue will 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. Estimated to generate \$83.8 million in FY 2022 and \$81 million in FY 2023.

(7) Legislation adopted in the 31st Special Session requires 100% of the proceeds from the portion of the GST generated from the 10% depreciation schedule to be allocated to the General Fund in FY 2021 only.

* Unaudited.

Source: Legislative Council Bureau, General Fund Revenue Table, May 2021 Economic Forum Forecast Adjusted for 2021 Legislative Actions and Court Decisions and Governor's Finance Office.

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

Table 13
General Fund Appropriations
(Dollar Amounts in Thousands)

Fiscal Year Ended June 30	Actual Appropriations			2019 Legislatively Approved Appropriations ⁽¹⁾	2021 Legislatively Approved Appropriations ⁽²⁾	
	2018	2019	2020	2021	2022	2023
Constitutional Agencies	\$180,111	\$189,515	\$174,800	\$154,208	\$147,765	\$162,495
Finance & Administration	38,224	38,281	43,427	41,329	44,166	46,185
Education	2,109,715	2,057,713	2,363,459	1,943,440	2,354,558	2,189,810
Human Services	1,225,962	1,288,196	1,367,300	1,369,442	55,561	54,445
Commerce & Industry	59,099	58,660	59,052	46,992	1,591,844	1,750,503
Public Safety	352,486	364,261	381,494	376,136	380,255	389,474
Infrastructure	40,122	38,454	42,764	39,485	41,008	41,052
Special Purpose Agencies	10,972	15,407	11,583	10,348	18,003	18,296
TOTAL⁽³⁾	\$4,016,690	\$4,050,487	\$4,443,882	\$3,981,379	\$4,633,160	\$4,652,261

⁽¹⁾ Nevada Legislature Appropriation Report for the 31st Special Session (Revised January 2021).

⁽²⁾ Legislature approved appropriations, including supplemental appropriations approved by the State Legislature, subject to revision.

⁽³⁾ Totals may not add due to rounding.

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

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

Table 14⁽¹⁾
General Fund Unappropriated Balances
(Dollar Amounts 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	\$87,588	\$125,764	\$89,192	\$64,000
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	0	7,647	190,026	330,832
Tax Credit Programs	(115,639)	(171,213)	(120,109)	(92,466)	(54,998)
Total Unrestricted General Fund Revenue	\$3,905,506	\$4,023,711	\$4,295,151	\$4,668,459	\$4,805,157
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	\$5,451,360
Appropriations / Transfers					
Unrestricted Appropriations / Transfers					
Operating Appropriations	(\$3,738,711)	(\$3,936,673)	(\$4,058,313)	(\$4,368,809)	(\$3,971,482)
Supplemental Operating Appropriations	(82,652)	0	(33,189)	0	(272,252)
Operating Appropriations Transfers Between FYs 2016 & 2017	16,705	0	0	0	0
Operating Appropriations Transfers Between FYs 2017 & 2018	0	0	0	0	0
Operating Appropriations Transfers Between FYs 2018 & 2019	0	(38,020)	38,020	0	0
Operating Appropriations Transfers Between FYs 2020 & 2021 ⁽²⁾	0	0	0	(59,358)	59,358
One-Time Appropriations	(\$157,776)	(\$43,336)	(\$309,556)	0	(\$320,548)
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	(25,086)
Total Unrestricted Appropriations / Transfers	(\$3,989,935)	(\$4,018,029)	(\$4,419,038)	(\$4,466,965)	(\$4,562,308)
Restricted Transfers	0	0	0	0	0
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 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	\$0
Total Appropriations / Transfers	(\$4,055,680)	(\$4,129,611)	(\$4,501,952)	(\$4,543,814)	(\$4,668,603)
Unappropriated General Fund Balance June 30	\$434,085	\$424,842	\$352,865	\$574,453	\$782,757⁽³⁾
5% Minimum Ending Fund Balance	\$198,117	\$206,481	\$202,247	\$221,408	\$209,713
Difference	\$235,968	\$218,361	\$150,618	\$353,045	\$573,044

(1) Revenue before tax credits taken, totals may not add due to rounding.

(2) Operating Appropriation Transfers Between FYs 2019 & 2020 is intentionally omitted, no such transfers occurred between FYs 2019 & 2020.

(3) Preliminary year-end calculations indicate the Unappropriated General Fund Balance will be approximately \$200 million higher than this amount. See "Account to Stabilize the Operation of State Government and Other Contingency Accounts" herein for more information.

* Unaudited

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

General Fund Balance

The General Fund balance presented in the following table represents only the unappropriated portion of the General Fund balance and is determined on the budgetary basis method of accounting. The General Fund balance as presented in the 2020 State ACFR in the Required Supplementary Information, Budgetary Comparison Schedule section is also determined on the budgetary basis of accounting, but includes both appropriated and unappropriated components. The fund balance for the General Fund in the Balance Sheet section of the 2020 State ACFR is determined on a GAAP basis. The fund balance is classified based primarily on the extent to which the State is bound to observe constraints imposed upon the use of resources in the fund as follows:

Nonspendable fund balance includes items that cannot be spent because they are either not in spendable form (such as municipal securities, inventories, prepaid amounts, and in the General Fund long-term portion of loans/notes receivables) or legally or contractually required to be maintained intact (such as the principal of a permanent fund).

Restricted fund balances have constraints placed upon the use of the resources either by an external party or imposed by law through constitutional provisions or enabling legislation.

Committed fund balances can be used only for specific purposes pursuant to constraints imposed by a formal action of the government's highest level of decision-making authority, the State Legislature, through legislation passed into law.

Assigned fund balance includes amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Assignments of fund balance are created by the executive branch.

Unassigned fund balance is the residual amount of the General Fund not included in the four categories above. Also, any deficit fund balances within the other governmental fund types are reported as unassigned.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

Budgetary basis and GAAP basis General Fund balances as of June 30, 2019 and June 30, 2020 are reconciled as follows:

Table 15⁽¹⁾
General Fund Balance

	June 30, 2019	June 30, 2020
Unappropriated General Fund Balance	\$ 345,717,958	\$ 553,834,410
Restricted General Fund Balance, Budgetary Basis	988,040,353	1,375,348,724
Total General Fund Balance, Budgetary Basis	1,333,758,311	1,929,183,134
Accrued Medicaid Receivable	278,789,948	248,571,934
Receivables Recorded as Budgetary Expenditures	117,728,134	106,056,610
Encumbrances Recorded as Budgetary Expenditures	4,293,291	3,877,641
Accrued Medicaid Liability	(502,888,116)	(420,664,076)
Unearned Gaming Taxes	(110,135,035)	(19,107)
Unavailable Revenue-Intergovernmental	(265,283,738)	(273,831,737)
Unearned Revenue-Other	(13,323,284)	(772,056,906)
Liabilities Recorded as Budgetary Revenues	(65,200,959)	(72,832,296)
Other	30,948,449	56,507,956
Total General Fund Balance, GAAP Basis	<u>\$ 808,687,001</u>	<u>\$ 804,793,153</u>
Fund Balances:		
Nonspendable	30,206,848	29,476,341
Restricted	79,610,540	102,345,474
Committed	915,746,466	626,066,413
Assigned		13,900,197
Unassigned	(216,876,853)	33,004,728
Total General Fund Balance, GAAP Basis	<u>\$ 808,687,001</u>	<u>\$ 804,793,153</u>

⁽¹⁾ This Table is prepared based on the Required Supplementary Information of the 2020 State ACFR. The annual comprehensive financial report for FY 2021 is expected to be completed in February 2022. See “INVESTMENT CONSIDERATIONS – Impacts of COVID-19 Pandemic” in Part I of this Official Statement.

Source: State of Nevada Controller’s Office.

Account to Stabilize the Operation of State Government and Other Contingency Accounts

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 State Legislature, or by the Interim Finance Committee if the State Legislature is not in session; or (ii) the State 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 Account 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 75th (2009) Regular Session 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 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.

The 1% transfer was scheduled to commence with FY 2012 but due to the economic downturn, the transfer was deferred until it was commenced in FY 2018. Due to the COVID-19 pandemic and its impact on the State budget, the 31st (2020) Special Session deferred the 1% transfer of the anticipated revenue from the Economic Forum forecast as adjusted for actions from the 2019 Legislative Session and the 31st Special Session for FY 2021 to the Account to Stabilize the Operation of the State Government. The 1% transfer is scheduled to commence in FY 2022. See “FINANCIAL INFORMATION—The 31st Special Session of the Legislature.”

At the FY 2019 end, the Stabilization Account balance was \$331,694,833. In July 2019, the State deposited an additional \$44.46 million under the 1% of total anticipated revenue. The State deposited an additional \$25 million under the ending fund balance in excess of 7% in January 2020. Prior to the COVID-19 pandemic, the Stabilization Account balance was \$401 million. In response to the projected FY 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. See “FINANCIAL INFORMATION—The 31st Special Session of the Legislature. For further discussion of the impacts of COVID-19 and associated risks, see “INVESTMENT CONSIDERATIONS—Impacts of COVID-19 Pandemic” in Part I of this Official Statement.

At the FY 2021 end, the Stabilization Account balance was \$97,545,079, due to the ending fund balance in FY 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 FY 2022. The State will deposit \$44.25 million in FY 2022 and \$47.19 million in FY 2023 under the 1% of total anticipated revenue. The unaudited General Fund unrestricted balance, budgetary basis, for FY 2021 is projected to be \$782.75 million which is approximately 17.5% of all appropriations. However, preliminary year-end calculations indicate the unrestricted balance will be higher by approximately \$200 million. If this balance is finalized as projected, it would trigger a transfer to the Stabilization Account in FY 2022. The General Fund unrestricted fund balance and the corresponding transfer are subject to change until the State Controller reconciles the General Fund in December and the State does not anticipate supplementing the Official Statement with updated preliminary or final calculations.

Nevada voters approved adult-use recreational marijuana by ballot initiative in 2016, allowing those 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 2017 Legislature provided if the marijuana was sold to an adult-use recreational consumer, an additional 10% retail excise tax was levied. Revenue from the 10% retail excise tax was transferred to the reserve for the stabilization of the operation of the State in FY 2018 and FY 2019. Revenue from the 10% retail excise tax was \$42.5 million and \$55.2 million in FY 2018 and FY 2019, respectively.

The 2019 Legislature directed the revenue collected from the 10% excise retail tax on marijuana, which had been directed to the reserve for the stabilization of the operation of the State, to be deposited in the State Distributive School Account beginning FY 2020.

The State has established five other accounts to reserve funds for various contingencies.

The Disaster Relief Account created pursuant to NRS 353.2735 may be used for any purpose authorized by the State Legislature or distributed to State agencies or local governments through grants to pay for certain disasters and emergencies. NRS 353.288 provides for a quarterly transfer from the General Fund to the Disaster Relief Account an amount equal to not more than \$500,000 or 10% of the aggregate balance in the Stabilization Account, whichever is less. As of June 30, 2021, the Disaster Relief Account had a balance of \$6,996,569. The Emergency Account created pursuant to NRS 353.263 may be used when the Board of Examiners determines a qualifying emergency exists which requires an expenditure for which no appropriation was made, or is in excess of the appropriation available for that purpose. As of June 30, 2021, the Emergency Account had a balance of \$125,561.

The Stale Claims Account created pursuant to NRS 353.097 may be used to pay for certain claims received after the date on which the appropriated balance for a previous fiscal year reverts to the fund from which it was appropriated. A stale claim must have been eligible to be paid from the money appropriated to the agency which is submitting the claim, and it may not exceed the amount of money reverted, or the authorized balance on the last day

of the fiscal year, for the fiscal year in which the stale claim was incurred. As of June 30, 2021, the Stale Claims Account had a balance of \$3,137,628.

The Statutory Contingency Account created pursuant to NRS 353.264 may be used for the payment of certain legal and investigation expenses; expenses related to the interstate compact for juveniles; rewards for certain cases; costs of certain ballot questions, initiatives and recounts; certain refunds; terminal leave for employees in certain circumstances; certain insurance claims if the Insurance Premiums Fund has been exhausted, and the cost of fighting forest fires. Claims may be paid from the Statutory Contingency Account only when the money otherwise appropriated for the specific purpose has been exhausted. As of June 30, 2021, the Statutory Contingency Account had a balance of \$12,269,765.

The Interim Finance Committee Contingency Account created pursuant to NRS 353.266 may be used for the payment of certain expenses in excess of the amount appropriated by the Legislature for the biennium for the support of an agency or program, for circumstances for which the Legislature made no other provision, or as directed by the State Legislature. As of June 30, 2021, the Interim Finance Contingency Account had a balance of \$32,547,065.

As of June 30, 2021, these five accounts had a total balance of \$55,076,588 available for the purposes stated above.

2019-2021 Biennium

Governor Sisolak's approach to the 2019-2021 biennium budget building process focused on providing those services necessary to protect the health and safety of Nevada's citizens and natural resources, while making necessary investments to improve education and strengthen the State's workforce for the Nevada economy.

Governor Sisolak's recommended executive budget for the 2019-2021 biennium totaled \$25.7 billion, an increase of approximately \$2.5 billion, or 10.89%, over the previous biennium. The Recommended Executive Budget included \$8.9 billion in General Fund appropriations, an increase of \$898 million compared to the 2017-2019 legislatively approved budget.

The Governor's budget recommended continuing the diversion of the Governmental Services Tax resulting from the 10% depreciation schedule change to the General Fund with 25% of the tax going to the General Fund and the remaining 75% to the Highway Fund. The transfer to the General Fund was to sunset on June 30, 2019. The Executive Budget recommended extending the sunset to June 30, 2021.

The Commerce Tax, implemented by the 78th (2015) Regular Session, provides that in an even-numbered fiscal year, if the combined revenues from the taxes imposed by the MBT and the Commerce Tax exceed the anticipated revenues for those taxes projected by the Economic Forum by more than 4%, as adjusted by any legislation enacted by the Legislature that affects state revenue for that fiscal year, the Department of Taxation shall determine the MBT rate for both financial and mining and non-financial entities which would have generated a combined revenue of 4% more than the amount anticipated. In FY 2018, combined collections came in 10.1% above forecast, triggering the MBT rate "buy-down" for the MBT rates, scheduled to begin July 1, 2019. The Governor's budget recommended to keep the MBT rates the same, keeping the tax rate for mining and financial institutions at the current 2.0% and the tax rate for all other businesses at the current 1.475%.

The Governor's budget proposed a new program that utilizes \$10 million per year in state tax credits to be used in the creation or preservation of affordable housing in Nevada, anticipated to be taken beginning in FY 2021. Additionally, the Quarterly Slot Tax was recommended to be diverted to the General Fund as unrestricted revenue and 0.6% of the Gaming Percentage fees to be diverted to programs for prevention and treatment of Problem Gambling. The budget also recommended that the 10% excise retail tax on marijuana, which was directed to the reserve for the stabilization of the operation of the State, to be diverted to the new School Safety program and the Governor Guinn Millennium Scholarship.

The 80th (2019) Regular Session began on February 4, 2019 and adjourned on June 4, 2019. The State Legislature agreed with many of the proposals put forth in the Governor's recommended budget. Legislation enacted

from the 80th (2019) Regular Session having an impact on General Fund revenues include the following, some of which were subsequently modified in the 31st Special Session of the Legislature. See “—The 31st Special Session of the Legislature” for discussion of modifications to the budget made as a result of the COVID-19 pandemic. See “INVESTMENT CONSIDERATIONS—Impacts of COVID-19 Pandemic” in Part I of this Official Statement for further discussion of the impacts of the pandemic on the State. *Estimates identified in the bullets below were made in 2019 and have not been updated.*

- SB551 permanently repealed the provisions requiring the MBT rates on nonfinancial institutions, financial institutions, and mining companies to be reduced by the Department of Taxation if actual collections from these taxes, in combination with collections from the Commerce Tax and Branch Bank Excise Tax and tax credits taken against the MBT, are more than 4% above the Economic Forum’s May forecast in any even-numbered fiscal year. Elimination of the MBT rate “buy-down” was estimated to generate \$48.2 million in FY 2020 and \$50 million in FY 2021. However, a subsequent Nevada Supreme Court decision found that certain actions taken by the Legislature in SB551 were unconstitutional. See “FINANCIAL INFORMATION—State General Fund Revenue Sources— Commerce Tax,” herein for a discussion of the MBT and commerce tax, “FINANCIAL INFORMATION – 2021-2023 Biennium” herein for a discussion of the revenue impacts of the Nevada Supreme Court decision, and “STATE LITIGATION” herein for a discussion of this court case.
- SB541 requires 25% of the proceeds from the portion of the Governmental Services Tax (“GST”) generated from the 10% depreciation schedule change, approved in SB 429 (2009), to be allocated to the State General Fund on a permanent basis, effective July 1, 2019. The remaining 75% portion of these proceeds are to be deposited in the State Highway Fund. The GST generated \$21.3 million in FY 2020 to the General Fund and the estimate was \$22.3 million in FY 2021.
- AB445 requires a marketplace facilitator, defined as a person who facilitates the sale of tangible personal property by a marketplace seller in the State of Nevada, to collect and remit sales and use taxes on certain sales that are facilitated on behalf of the marketplace seller, effective October 1, 2019. The estimate in FY 2020 is \$16.5 million and \$22 million in FY 2021 for the State 2% rate. This requirement was also estimated to increase collections for the General Fund Commissions by \$0.7 million in FY 2020 and \$0.9 million in FY 2021.
- SB535 removes the requirement that an amount equal to \$2 per slot machine collected from quarterly restricted and non-restricted slot machine fees be allocated to the Account to Support Programs for the Prevention and Treatment of Problem Gambling and diverts the revenue to the unrestricted General Fund. This was estimated to generate a total of \$1.3 million both in FY 2020 and in FY 2021.
- AB535 increases the existing license fee on wholesale dealers of cigarettes, which is currently distributed between the State General Fund and local governments, and establishes new license fees for manufacturers, wholesale dealers of other tobacco products, and tobacco retailers. This bill requires all license fee proceeds to be retained by the Department of Taxation to administer and enforce the cigarette and other tobacco product statutes. This action to require the license fees on wholesale dealers of cigarettes to be retained by the Department was estimated to reduce General Fund revenue by less than \$10,000 per year in FY 2020 and FY 2021; thus, there is no adjustment to the May 2019 Legislative Adjusted Economic Forum Forecast.
- SB263 specifies that alternative nicotine products and vapor products, including e-cigarettes and their components, are subject to the 30% wholesale tax on other tobacco products, effective January 1, 2020. This was estimated to generate \$3.7 million in FY 2020 and \$7.9 million in FY 2021.
- Pursuant to AB446, an additional \$200 million in qualified equity investments may be certified by the Department of Business and Industry, effective July 1, 2019, with a total of \$116 million of

credits that may be taken based on the increment percentages originally approved in SB357 (2013). However, pursuant to AB446, no credits may be taken against the Insurance Premium Tax before July 1, 2021 (FY 2022).

- AB458 permanently eliminates the 10% increase in the amount of credits that may be authorized in each year, capping the total amount that may be authorized in each year at \$6,655,000 beginning in FY 2020. The bill additionally clarifies that the \$6,655,000 limit per year applies to the combined credits that may be taken under both chapters of the MBT (Chapters 363A and 363B), rather than as a separate limit for each chapter. SB551 authorizes an additional \$4,745,000 in credits against the MBT (Chapters 363A and 363B combined) under this program per year in FY 2020 and FY 2021 beyond those that were authorized in those years based on the provisions of AB458. Any amount of the \$4,745,000 in credits that is not approved by the Department in each fiscal year may be issued in future fiscal years. The total amount of tax credits were estimated to be \$11,400,000 both in FY 2020 and FY 2021 under this program. This total amount is based on the maximum amount of \$6,655,000 allowed pursuant to AB458 plus the additional \$4,745,000 per year authorized under SB551. Lawsuits were filed challenging the constitutionality of AB458 and SB551. In October 2021, the Nevada Supreme Court ruled that AB458 was constitutional. However, a subsequent Nevada Supreme Court decision found that certain actions taken by the Legislature in SB551 were unconstitutional. See “FINANCIAL INFORMATION – 2021-2023 Biennium” herein for a discussion of the revenue impacts of the Nevada Supreme Court decision, and “STATE LITIGATION” herein for a discussion of this court case.
- SB448 authorizes the Housing Division of the Department of Business and Industry to approve a total of \$40 million of transferrable tax credits that may be used against the MBT, Insurance Premium Tax, and Gaming Percentage Fee Tax. Under the provisions of SB448, the Division may award up to \$10 million in transferable tax credits per year to persons who develop affordable housing projects in Nevada over the four years of the pilot program, but may award an additional \$3 million in credits in any fiscal year if the issuance of the credits is necessary for the development of additional affordable housing projects in the State. If the Division approves any credits in excess of \$10 million in a fiscal year, the amount to be awarded in the next fiscal year must be reduced by the amount in excess of \$10 million that was issued in the previous fiscal year. If the Division does not issue all of the \$10 million in credits authorized in a fiscal year, that amount is carried forward and may be issued in a subsequent fiscal year.
- AB267 as enacted has a potential impact on the State and authorizes compensation for people who are wrongfully convicted. The bill requires a court to award: (1) if the person was wrongfully imprisoned for 1 to 10 years, \$50,000 for each year of imprisonment; (2) if the person was wrongfully imprisoned for 11 to 20 years, \$75,000 for each year of imprisonment; or (3) if the person was wrongfully imprisoned for 21 years or more, \$100,000 for each year of imprisonment. The bill also requires a court to award not less than \$25,000 for each year the person was on parole or was required to register as a sex offender, whichever period of time was greater. The bill also offers a pathway for the court to order certain other relief, such as payment for the cost of tuition assistance and health care. To recover damages or other monetary relief awarded in a wrongful conviction action, requires the person who successfully brought the action to submit a claim to the State Board of Examiners for payment from the Reserve for Statutory Contingency Account, upon approval of the State Board of Examiners.

The budget bills along with the bills mentioned above were passed by the 80th (2019) Regular Session and signed into law by the Governor in June 2019. The 2019 State Legislature appropriated approximately \$8.9 billion from the State General Fund over the 2019-2021 Biennium.

A detailed summary of all budgetary and taxation actions approved by the 80th (2019) Regular Session is available from the Legislative Counsel Bureau Fiscal Analysis Division at <https://www.leg.state.nv.us/Division/Fiscal/Appropriation%20Reports/>.

The 31st Special Session of the Legislature

Prior to the outbreak of the COVID-19 pandemic, the Nevada economy was on solid footing indicated by several metrics. Soon after the first warning signs of the novel coronavirus spreading in Nevada and across the nation in early March, it became clear that the State needed to take quick action to save lives and protect the capacity of the healthcare system. By late March, the Governor directed the closure of K-12 schools for in-person education, universities transitioned to online learning, a stay-at-home order was issued, and casinos, gaming establishments and non-essential businesses were ordered to close to reduce the spread of COVID-19. It became clear that the efforts to contain the virus would negatively impact the Nevada economy and the State's revenues. In early April, the Governor and the Governor's Finance Office requested executive branch agencies to provide recommendations for budget reserves of up to four percent for FY 2020 and six to fourteen percent for FY 2021 due to the expected reduction to the State's revenues.

The initial consensus estimate prepared by the Fiscal Analysis Division of the Legislative Counsel Bureau and the Budget Division of the Governor's Finance Office in early May to estimate potential loss of revenue from the impact of COVID-19 estimated a projected budget shortfall between \$741 million and \$911 million for FY 2020, nearly a fifth of the State's \$4.5 billion FY 2020 budget. The Governor and the Interim Finance Committee declared a state of fiscal emergency. These declarations allowed the State to start the process of reducing operating appropriations, one-time appropriations, sweeping reserve funds and the use of Stabilization Account fund to address the anticipated budget shortfall for FY 2020.

In early June, updated projections estimated an \$812 million shortfall in the State's FY 2020 budget caused by lower tax revenues as a result of many business closures. The Governor's Finance Office and state agencies worked to identify and propose additional actions, including General Fund reversions, to address the projected FY 2020 shortfall. At its June meetings, the IFC reviewed and approved the majority of the proposed actions to address the remainder of the projected shortfall in FY 2020 after the transfer of \$401 million from the Stabilization Account was approved in mid-May, including one-time appropriations and capital improvements identified for reversion, more than \$65 million in operating budget reductions and over \$30 million in reimbursement for personnel costs and expenditures incurred due to the COVID-19 public health emergency.

Another set of revised consensus estimates for potential loss of revenue from the impact of COVID-19 was prepared at the end of June by the Fiscal Analysis Division of the Legislative Counsel Bureau and the Budget Division of the Governor's Finance Office. This consensus estimate projected general fund revenues after tax credits were estimated to be approximately \$838 million lower in FY 2021 than had been projected at the time of the May 1, 2019 Economic Forum Forecast with legislative adjustments. The budget shortfall was projected to be approximately \$1.2 billion in FY 2021. The Governor's Office of Finance transmitted a budget reduction proposal package for FY 2021 to the Legislative Counsel Bureau, Fiscal Analysis Division at the end of June. The Governor issued a formal proclamation to call a special session of the Legislature to begin on July 8 to address the budget shortfall.

The Governor's proposed actions to address the \$1.2 billion shortfall included reductions to agency budgets, reversion of one-time appropriations, adjustments to or cancellation of Capital Improvement Projects, transfers from other funds and accounts, a tax amnesty program, acceleration of the payment of net proceeds of minerals, temporary 50% sweep of Governmental Services Tax into General Fund, holding approximately 700 positions vacant, and 12 days of furloughs and freezing merit salary increases for state workers.

The 31st (2020) Special Session began on July 8, 2020 and adjourned on July 19, 2020. The major budget bill that addressed the budget shortfall was AB3. The bill includes an allocation of \$50 million in federal coronavirus relief funding toward K-12 education related to distance learning during the COVID-19 pandemic. The bill reduces General Fund spending by \$696 million with cuts to state agency operating budgets, work program revisions, sweeps, and other measures. AB3 defers the 1% transfer to the Account to Stabilize the Operation of State Government based off of the May 2021 Economic Forum Forecast Adjusted for 2021 Legislative Actions and Court Decisions. The bill provides for six days of State worker furloughs beginning January 1, 2021. The bill also provides that if federal money is made available to the State, the Governor's Office of Finance, Budget Chief is required the disburse the money to restore budgetary reductions in the bill and other purposes in a certain priority order.

SB1 revised provisions relating to capital improvement projects approved by the 2017 and 2019 Regular Session of the Legislature. The bill includes a mix of sweeping funds early from closed projects, cancelling/delaying projects and swapping General Fund with General Obligation Bonds, returning \$72.6 million to the General Fund. SB2 allows the Board of Regents the ability to temporarily waive certain eligibility requirements for the Millennium Scholarship for the 2020 - 2021 academic school year.

The Legislature passed SB3, a measure that includes the following revenue enhancements that total about \$146.8 million. *Estimates identified in the bullets below were made in 2020 and have not been updated.*

- Requires 100% of the proceeds from the portion of the Governmental Services Tax (GST) generated from the 10% depreciation schedule change, approved in SB429 (2009), to be allocated to the State General Fund in FY 2021 only. Beginning in FY 2022, the distribution reverts to 75% of the additional revenue generated from the GST, 10% depreciation schedule change to be deposited in the State Highway Fund and 25% deposited in the State General Fund, as approved in SB541 (2019). This is estimated to generate an additional \$71,346,000 in FY 2021 for the State General Fund, based on the consensus estimate prepared by the Budget Division and the Fiscal Analysis Division.
- Requires the advance payment on the net proceeds of minerals (“NPM”) tax in FY 2021 based on the estimated net proceeds for the current calendar year 2021 for the General Fund portion only. This additional NPM tax payment in FY 2021 is estimated to generate \$54,500,000 for the General Fund portion of the tax due for calendar year 2021 based on the consensus estimate prepared by the Department of Taxation, Budget Division, and the Fiscal Analysis Division. The provisions of SB3 also apply to FY 2022 and FY 2023, but the NPM tax reverts 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.
- Requires the Department of Taxation to establish and conduct a tax amnesty program by which taxpayers may pay a fee, tax, or assessment required to be paid to the Department without incurring any penalties or interest that would otherwise be required as a result of the unpaid fee, tax, or assessment. This program is required to be conducted by the Department for a period of not more than 90 calendar days and must be concluded no later than June 30, 2021. It is estimated to generate \$14,000,000 to the State General Fund and \$7,000,000 to the Distributive School Account (DSA) in FY 2021 based on the consensus estimate prepared by the Department of Taxation, Budget Division, and the Fiscal Analysis Division.

SB4 authorizes the State Board of Finance to issue general obligation interim debentures and special obligation interim debentures for the purpose of paying for the general operations of the State if specified conditions are met, provided that the aggregate principal amount of any such interim debentures outstanding at one time cannot exceed \$150,000,000. This bill was effective on July 17, 2020, and expired on June 30, 2021. However, SB47 adopted in the 81st Regular Session removed the expiration date, thereby authorizing the issuance of such interim debentures on or after July 1, 2021.

The Legislature also passed a joint resolution that urged the former Trump Administration and Congress to provide flexible funding for state, local, and tribal governments for anticipated budget shortfalls as a result of the COVID-19 pandemic.

The 32nd Special Session of the Legislature

Governor Sisolak issued a proclamation calling for the 32nd Special Session to begin on July 31st, 2020, which adjourned on August 6, 2020. The Legislature passed three proposed constitutional amendments related to mining taxes. If the 2021 Regular Session of the Legislature had approved any one of these three constitutional amendment measures again, that measure would have required voter approval in the 2022 general election to become effective. However, the 81st (2021) Regular Session of the Legislature did not approve any of these joint resolutions.

The 2021 Legislature passed a bill for a new mining tax on the gross revenue of businesses engaged in the extraction of gold and silver in this state. See “FINANCIAL INFORMATION—2021-2023 Biennium.”

COVID-19 Federal Aid

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress and signed into law. This act established the Coronavirus Relief Fund (CRF) and appropriated \$150 billion to the Fund to provide payments to states and certain local governments; the District of Columbia and U.S. Territories and Tribal governments navigating the impact of the COVID-19 outbreak. The State of Nevada received approximately \$836 million of which \$145.6 million was paid to local governments with populations under 500,000.

On March 11, 2021, the American Rescue Plan Act (ARPA) was passed by Congress and signed into law. This act established the Coronavirus State Fiscal Recovery Fund (CSFRF) and Coronavirus Local Fiscal Recovery Fund which, combined, appropriated \$350 billion to provide payments to states and certain local governments; the District of Columbia and U.S. Territories and Tribal governments to assist with recovery and to continue navigating the impact of the COVID-19 pandemic. Nevada was allocated a total of \$6.7 billion of ARPA funds consisting of approximately: \$2,738.0 million of State Fiscal Recovery Funds; \$1,040.9 million in local general aid; \$1,123.4 million in aid for K-12 education, \$345.74 million for transportation, \$338.74 million for housing assistance, and other funds for areas such as, economic development, infrastructure, food assistance, and healthcare.

Unlike funds received under the CARES Act, State Fiscal Recovery funds received under ARPA allows the State to replace lost revenue due to the COVID-19 public health emergency with the lost revenue calculated at four points in time. In late July 2021, the Governor’s Finance Office, Budget Division, in consultation with the Fiscal Division of the Legislative Counsel Bureau, calculated the revenue loss for CY 2020 of \$1,086,485,000 per guidance provided by the U.S. Treasury in the Interim Final Rule. The funds will be spent in compliance with the U. S. Treasury Interim Final Rule and Frequently Asked Questions.

2021-2023 Biennium

Governor Sisolak’s 2021-2023 biennium budget building process was approached with caution considering the impacts related to the COVID-19 health crisis. Efforts were focused on restoring some of the significant spending cuts that were approved by the 31st Special Session of the Legislature. This included restoration of services necessary to protect and enhance the health and safety of the citizens of Nevada. A continued focus was given on strengthening education, investing in the State’s workforce for a post-pandemic economy and improving infrastructure with a focus on economic development.

Governor Sisolak’s recommended executive budget for the 2021-2023 biennium totaled \$27.0 billion (all funding sources), an increase of approximately \$1.3 billion, or 5.1%, over the previous biennium. The Recommended Executive Budget included \$8.7 billion in General Fund appropriations, a decrease of \$187 million compared to the 2019-2021 legislatively approved budget.

The 81st (2021) Regular Session began on February 1, 2021 and adjourned on June 1, 2021. The State Legislature agreed with many of the proposals put forth in the Governor’s recommended budget. Legislation enacted from the 81st (2021) Regular Session having an impact on General Fund revenues include the following (source: May 2021 Economic Forum Forecast Adjusted for 2021 Legislative Actions and Court Decisions):

- AB495 imposes an annual tax on each business entity engaged in the business of extracting gold or silver in this State whose Nevada gross revenue in a taxable year exceeds \$20 million, effective July 1, 2021. The tax rate is 0.75% of all taxable revenue in excess of \$20 million, but not more than \$150 million; and 1.1% of all Nevada gross revenue in excess of \$150 million. The proceeds from this tax are to be deposited in the State General Fund in FY 2022 and FY 2023 only. Beginning in FY 2024, the revenue will 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. The tax is estimated to generate \$83.8 million in FY 2022 and \$81 million in FY 2023.

- AB495 authorized an additional \$4,745,000 in tax credits under the Educational Choice Scholarship Tax Credit Program against the MBT (Chapters 363A and 363B combined) in FY 2022. Any amount of the \$4,745,000 in credits that is not approved by the Department of Taxation in FY 2022 may be issued in future fiscal years. Although the provisions of AB495 authorized an additional \$4,745,000 in credits in FY 2022, the Fiscal Analysis Division of the Legislative Counsel Bureau has increased the amount of credits that will be taken by \$4,745,000 in FY 2023, because of the timing on when these and previously approved tax credits are anticipated to be awarded and used.
- SB440 provides an exemption from sales and use taxes on purchases of tangible personal property by members of the Nevada National Guard who are on active status and who are residents of this State and certain relatives of such members, if the purchase occurs on the date on which Nevada Day is observed or the immediately following Saturday or Sunday, between July 1, 2021, and June 30, 2031. The bill also revises the eligibility requirements for the current exemption that is authorized for members of the Nevada National Guard called into active service to provide that this exemption is available to these members and certain relatives, if the member has been called into active duty for a period of more than 30 days outside of the United States. The exemption is anticipated to reduce sales and use tax revenue for the state and local governments; however, an estimate of the potential reduction was not prepared.
- SB367 provides an exemption from the Live Entertainment Tax for live entertainment that is provided by or entirely for the benefit of a governmental entity, effective upon passage and approval (June 4, 2021). Because this exemption is expected to provide a minimal reduction to Live Entertainment Tax revenues, no adjustment to the forecast was made.
- SB389 provides for the regulation and licensing of peer-to-peer car sharing programs by the Department of Motor Vehicles, and also provides that passenger cars that are shared through such a program are subject to a Short-Term Car Lease Fee that is identical to the fee already collected by the Department of Taxation on the rental of other passenger cars in this state, effective October 1, 2021. This is estimated to generate \$0.75 million in FY 2022 and \$1.0 million in FY 2023.
- AB445 requires the State Controller, as soon as practicable after the close of FY 2021, to transfer \$1,000,000 from the Abandoned Property Trust Account (Unclaimed Property) to the Grant Matching Account for the purpose of providing grants or satisfying matching requirements for nongovernmental organizational grants by the Office of Federal Assistance in the Office of the Governor. For FY 2023 and all subsequent years, the first \$1.0 million of revenue from Unclaimed Property that is generated after the required transfer of the first \$7.6 million to the Millennium Scholarship Trust Fund must be transferred to the Grant Matching Account. The actions of this bill reduce the forecast for this revenue source by \$1.0 million per year in FY 2022, FY 2023, and all future fiscal years.
- SB461 provides for how the federal aid from the American Rescue Plan will be distributed. The bill requires the Governor's Office of Finance to determine the reduction in the general revenue of the State of Nevada as a result of the COVID-19 pandemic pursuant to the formula set forth in the Interim Final Rule of the Department of the Treasury and transfer any such amount to the State General Fund. After the transfer to the State General Fund is made, the money received from the Coronavirus State and Local Fiscal Recovery Funds by the State of Nevada in accordance with the provisions of chapter 353 of NRS in the following order of priority, after any other disbursements of such federal money required by the 81st Session of the Nevada Legislature and as that money is available:
 - \$335,000,000 to repay advances received by the Unemployment Compensation Fund.
 - \$20,900,000 for the public health emergency of the COVID-19 pandemic.

- \$7,600,000 to address increased levels of food insecurity resulting from the negative economic impact of the COVID-19 pandemic on low-income families.
- \$6,000,000 to the Collaboration Center Foundation to augment services and programs implemented to address the negative or disparate impacts of the COVID-19 pandemic on persons with disabilities.
- \$5,000,000 to the State Treasurer to be administered as grants to persons with disabilities who are under 18 years of age through the Nevada ABLE Savings Program to assist persons with disabilities who have been negatively or disparately impacted by the COVID-19 pandemic.
- \$4,000,000 to the University of Nevada, Reno, to establish a statewide program modeled after the Dean’s Future Scholars Program at the University of Nevada, Reno, to assist pupils who are in grade 6 or higher, are prospective first-generation college students and have been negatively or disparately impacted by the COVID-19 pandemic.
- Disbursements for any other purpose authorized for the use of the money received from the Coronavirus State and Local Fiscal Recovery Funds.

On May 13, 2021, the Nevada Supreme Court upheld a First Judicial District Court ruling that certain actions taken by the 2019 Legislature in SB551 were unconstitutional. As a result, the rate for the MBT for nonfinancial businesses was reduced to the amount determined by the Department of Taxation on or before September 30, 2018 (from 1.475% to 1.378% for all taxable wages in excess of \$50,000 per calendar quarter), and the rate for the MBT for financial and mining entities was reduced to the amount determined by the Department of Taxation on or before September 30, 2018 (from 2% to 1.853% for all taxable wages), effective April 1, 2021. The court ruling additionally requires the Department of Taxation to issue refunds for all MBT that was collected at the higher rate, between July 1, 2019, and March 31, 2021, based on the difference between the rate approved in SB551 and the reduced rate determined by the Department, as well as interest on the excess amount collected.

The May 2021 Economic Forum Forecast Adjusted for 2021 Legislative Actions and Court Decisions reflects the estimated combined negative impact for each fiscal year for the refund and interest attributable to FY 2020 and FY 2021 overpayments as allocated to FY 2021 and FY 2022 and the tax rate reduction for the fourth quarter of FY 2021 and all four quarters of FY 2022 and FY 2023.

The estimated negative impact to total MBT collections attributable to the refund and interest on tax overpayments for FY 2020 and FY 2021 allocated to FY 2021 is \$75,575,000 and allocated to FY 2022 is \$4,717,000. The estimated negative impact to total MBT collections attributable to the reduction in the tax rates for FY 2021 is \$12,128,000, for FY 2022 is \$50,573,000, and for FY 2023 is \$53,659,000. The estimates for the refund and interest are based on information provided by the Department of Taxation, based on an analysis of actual taxpayer accounts, regarding the potential total refund and interest amounts for the four quarters of FY 2020 and the three quarters of FY 2021 and the actual refund and interest amounts issued for FY 2021 by each component of the MBT.

The COVID-19 pandemic is not yet over and the economic and health policy landscape are evolving and subject to change. See “INVESTMENT CONSIDERATIONS—Impacts of COVID-19 Pandemic” in Part I of this Official Statement. Estimates and projections described herein speak only as of their date 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.

Education Support

Public schools in Nevada are funded primarily from local sources and a per pupil payment by the State based on a statutory formula.

In the 80th (2019) Regular Session, the State Legislature passed SB543, which will generally replace Nevada’s current education funding plan with the Pupil-Centered Funding Plan beginning with the 2021-2023 biennium. The Pupil-Centered Funding Plan combines money raised pursuant to State law at the local level with State money into a State Education Fund, which will provide a certain basic level of support to each pupil in Nevada which is adjusted (1) to account for variation in the local costs to provide a reasonably equal education opportunity to pupils; and (2) for the costs of providing a reasonably equal educational opportunity to pupils with certain additional educational needs. SB543 does not create any new funding sources. SB543 eliminates the requirement for the State to guarantee certain local revenues, including the Local School Support Tax (in-state) and one-third (\$0.75) on Assessed Value of Taxable Property (PSOPT). However, SB543 requires the State to fund certain increases to the State Education Fund if increases in State revenue are projected for an upcoming biennium and monies which remain in the Fund do not revert to the State General Fund. SB543 creates a reserve account (Education Stabilization Account) in which each school district will transfer ending fund balances in excess of a certain percentage of total actual expenditures for the Fund. Furthermore, AB495 passed in the 81st (2021) Legislative Session adds a new revenue source to the State Education Fund to aid in increasing the State Education Fund’s self-sufficiency. AB495 imposes an annual tax on each business entity engaged in the business of extracting gold or silver in this State whose Nevada gross revenue in a taxable year exceeds \$20 million, effective July 1, 2021. For information regarding AB495, see “FINANCIAL INFORMATION—2021-2023 Biennium.”

Pension Plans

The following is a brief summary of the State’s disclosure relating to the State’s pension systems and is qualified in its entirety by reference to the complete discussion of the State’s pension systems that is attached as Attachment I to this Part II.

The State Legislature has created three retirement systems to provide benefits to qualified employees and to certain elected officials. The largest retirement system, the Public Employees’ Retirement System of Nevada (“PERS”), was created in 1947 to provide retirement, disability and survivor benefits to eligible State employees and to eligible employees of participating local government entities in the State. A second retirement system, the Legislators’ Retirement System of Nevada (“LRS”), was created in 1967 to provide pension benefits and death benefits to State legislators. The Judicial Retirement System of Nevada (“JRS”) was created in 2001 to provide pension, disability and death benefits to State judges and was amended in 2005 to include judges of local jurisdictions that elect to participate in JRS. Conditions for membership, eligibility for retirement, benefits and employer and employee contributions are set forth in statutes enacted by the State Legislature, and a seven-member Public Employees’ Retirement Board appointed by the Governor (the “Retirement Board”) administers, and governs investments for, all three systems.

The assets and liabilities of PERS, LRS and JRS are included in the financial statements of the State as fiduciary funds. It should be noted that PERS is a multiple employer retirement system and the State’s responsibility to make contributions to PERS relates only to State employees who constitute approximately 16.8% of total active employees covered by PERS as of June 30, 2020. Under GASB Statement No. 68 accounting rules, as of that date the State’s employer allocation percentage was 16.9% of the net pension liability of PERS. A summary description of PERS, LRS and JRS is set forth in Note 10 to the 2020 State ACFR included in this Official Statement as Appendix A to this Part II, and the Pension Plan Information of PERS, LRS, and JRS is included in the Required Supplementary Information to the 2020 State ACFR. The most recent valuation reports for PERS, LRS, and JRS were prepared as of June 30, 2020 and are described in Attachment I to this Part II.

The largest State pension system is PERS. PERS is a defined benefit, cost-sharing, multiple-employer retirement system and is funded from contributions from members and participating employers and from investment income deposited or transferred to the Public Employees’ Retirement Fund (the “PERS Retirement Fund”). PERS is governed by NRS Chapter 286 (the “Public Employees’ Retirement Act”), which provides that with some exceptions all public employers must participate in PERS and that all employees must participate if the employee serves in an eligible position. Employers that participated in PERS as of June 30, 2020 include the State, 23 State related boards and agencies and 192 local governments and related districts and agencies. As of June 30, 2020, the entire PERS (of which the State participation relates to approximately 16.8% of PERS employees) includes 111,815 active members (of whom 98,228 are Regular employees and 13,587 are Police/Fire employees); 17,398 vested inactive members; and

72,741 retirees and beneficiaries (of whom 63,376 are Regular retirees, survivors or disability recipients and 9,365 are Police/Fire retirees, survivors or disability recipients).

Measured by the number of active covered employees, the State was the second-largest PERS employer as of June 30, 2020, representing approximately 16.8% of employees covered by PERS. With respect to State employees participating in PERS on a pre-tax contribution basis, half of the amount paid by the State to PERS is offset by corresponding salary reductions of those employees. With respect to State employees participating in PERS on an after-tax contribution basis, for each dollar the State pays to PERS for such employees, the employees pay a like amount directly to PERS. Legislation was enacted in 2010 modifying benefits for members first hired on or after January 1, 2010. Legislation was enacted in 2015 modifying benefits for members first hired on or after July 1, 2015. The State's contribution to PERS in FY 2020 was \$176,299,827. For the year ended June 30, 2017, the State adopted Governmental Accounting Standards Board (GASB) Statement No. 82. In conjunction with GASB 82, the State recognized \$63,670,420 of the employer-paid contributions as being paid by State employees through salary reductions for the FY 2018 State CAFR. The level of contributions that will be required in the future will depend on a variety of other factors, including future investment portfolio performance, actuarial assumptions and additional potential changes in retirement benefits. There can be no assurances that the required annual contribution to PERS will not continue to increase.

For FY 2016, 2017, 2018, 2019, and 2020, the State contributed \$190,528,000, \$151,491,716, \$153,762,408, \$161,627,368 and \$176,299,827 respectively, to PERS (relating to the State's employee members).

As of June 30, 2020, PERS had a total net position (based on market value) of approximately \$46.74 billion, compared to \$44.28 billion as of June 30, 2019. As of June 30, 2020, the actuarial value of PERS assets was \$46.17 billion (approximately 98.79 % of market value), PERS was 76.1% funded (on an actuarial value basis) and PERS' unfunded accrued actuarial liability (the "UAAL") was \$14.49 billion. These values are for the entire PERS, of which the State is one of numerous participants.

In conjunction with GASB Statement No. 67, pension plan participating public employers implemented GASB No. 68, Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27, effective for fiscal years beginning after June 15, 2014. GASB No. 68 establishes accounting and financial reporting requirements for contributing employers related to the recognition of pension expense and pension liabilities.

Prior to these new standards, the accounting and reporting requirements of the pension related liabilities followed a long-term funding policy perspective. The new standards separate the accounting and reporting requirements from the funding decisions and require the unfunded portion of the pension liability to be apportioned among the participating employers. These standards apply for financial reporting purposes only and do not apply to contribution amounts for pension funding purposes.

With the implementation of GASB No. 67, the System reported the Net Pension Liability, Total Pension Liability, and Fiduciary Net Position in the System's Comprehensive Annual Financial Report beginning with the FY 2014. The Total Pension Liability for financial reporting was determined on the same basis as the System's Actuarial Accrued Liability measure for funding. The Fiduciary Net Position is equal to the market value of assets. The Net Pension Liability is equal to the difference between the Total Pension Liability and the Fiduciary Net Position.

The System's Net Pension Liability as of June 30, 2020 was \$13.928 billion as compared to \$13.636 billion as of June 30, 2019, when measured in accordance with GASB No. 67. The Plan Fiduciary Net Position as a percentage of the Total Pension Liability is 77.0% as of June 30, 2020, as compared to 76.5% as of June 30, 2019.

See Attachment I to this Part II.

Public Employees' Benefits Program

The following is a brief summary of the State's disclosure relating to the State's Public Employees Benefits Program and is qualified in its entirety by reference to the complete discussion of the State's pension systems that is attached as Attachment II to this Part II.

The State's group health insurance program was created in 1963. In 1983, the State Legislature established a group health plan to provide certain benefits to plan participants and established the Self Insurance Trust Fund to pay for such benefits. In 1999, the group health plan was renamed the State of Nevada Public Employees' Benefits Program ("PEBP"). The Public Employees' Benefits Program Board (the "PEBP Board") is composed of ten members, including the Director of the Department of Administration (or his/her designee) and nine members appointed by the Governor, and administers PEBP.

PEBP administers a variety of multiple-employer, cost-sharing defined benefit programs providing benefits other than pensions to employees and retirees of participating State agencies and participating local government agencies. PEBP offers medical, dental, vision, mental health and substance abuse benefits through (i) self-insured consumer driven preferred provider organization high deductible health plan ("CDHP"), an exclusive provider organization plan ("EPO Plan"), both of which PEBP assumes all risk and responsibility for paying the claims by participants in the CDHP and EPO Plans, (ii) Health Maintenance Organization ("HMO Plan") that is fully insured by an outside insurance carrier and for which PEBP is responsible for paying the insurance premiums, and (iii) for retirees and dependents who are eligible for Medicare Parts A and B, an Individual Market Medicare Exchange ("Exchange") that offers medical, vision and dental products that are fully insured by outside insurance carriers, paid for by the insured and partially subsidized by PEBP. Approximately 52% of PEBP participants participate in the CDHP, 10% participate in the EPO plan, 9% participate in the HMO plan and 29% participate in the Exchange. PEBP also offers long-term disability and life insurance benefits as well as an array of voluntary benefits fully insured by outside carriers. Nevada statutes provide that no officer, employee or retiree of the State has any inherent right to the benefits provided by PEBP, and coverage and benefits are subject to change. For example, to address state-wide budget concerns, the 2009 and 2011 Legislatures made several changes to retirement and health benefits for public employees and retirees to satisfy subsidy targets.

Every State officer and employee, certain professional employees of the Nevada System of Higher Education, every member of the State Legislature and the officers and employees of local governmental agencies contracted with PEBP to provide such benefits to its employees and officers (a "participating local government agency") are eligible to participate in PEBP. State and participating local government agency retirees, as well as their eligible dependents and survivors, are eligible to enroll in PEBP upon their retirement, subject to the satisfaction of certain eligibility requirements set forth in the Nevada statutes. As of June 30, 2021, the State, the Nevada System of Higher Education and 128 local government agencies are billed for retiree subsidies.

PEBP is funded through a combination of contributions from employers, employees and retirees. The Nevada statutes require the PEBP Board to determine for each plan year the rates and coverage for plan participants based on actuarial reports. Each participating State agency is required to pay to PEBP for every participating active employee an amount determined by the State Legislature (currently a dollar amount per month per active employee) to pay costs of contributions for the PPO and EPO Plans or premiums for the HMO Plan. The State subsidy from participating State agencies is deposited into the Active Employees' Group Insurance Subsidy Account in the Agency Fund for the Payroll of the State ("Payroll Fund"). The Governor's Finance Office determines the allocation of the State subsidy to the required contribution or premium based on the coverage plan and dependent tier selected by each State employee. The State subsidy amount determined by the State Legislature is transferred from the Payroll Fund to the Self Insurance Trust Fund monthly. The State employee is responsible for paying to PEBP the difference between the required contribution or premium and the amount subsidized by the State, through deductions in their compensation. Members of the State Legislature are required to pay the entire premium or contribution. All contributions and premiums are deposited into the Self Insurance Trust Fund.

The State subsidizes a portion of the costs of PEBP contributions or premiums for eligible State retirees who are covered under the PPO, EPO or HMO plans. For Medicare eligible retirees covered through the Exchange, the State provides a reduced monthly dollar amount in a Health Reimbursement Arrangement that the retiree may use to receive reimbursement for premiums or other qualified medical expenses. As with the subsidy for active employees, the amount contributed by the State to fund a portion of the PEBP contributions, premiums or qualified medical expenses for each person who retired with State service and continues to participate in PEBP is determined by the State Legislature. The State subsidy is funded through an assessment, which is deposited into the State Retirees' Health and Welfare Benefits Fund ("Retirees' Fund"), in an amount equal to a percentage of actual payroll paid by each State entity and is based on the amount established by the State Legislature. Retirees who are covered under the PPO, EPO or HMO plans are responsible for paying to PEBP the difference between the required contribution or

premium and the amount subsidized by the State. Retirees covered through the Exchange are responsible for paying their monthly premiums and other qualified medical expenses to the insurance organization under which they are covered or their provider, as appropriate, and must then submit claims for reimbursement from PEBP.

For FY 2018, 2019, 2020 and 2021, the State and its component units contributed \$270,732,842, \$276,639,847, and \$292,590,729, and \$272,183,708 respectively, to PEBP for employee and retiree benefits. The budgeted contribution for FY 2022 is \$266,543,926. The level of future required contributions depends on a variety of other factors, including actuarial assumptions, additional potential changes in benefits, and, for retiree benefit contributions, the future portfolio performance of investments in the Retirees' Fund, if any. There can be no assurances that the required annual contribution to PEBP will not continue to increase.

SB457 of the 2007 Legislative Session created the Retirement Benefits Investment Fund ("RBIF") and set the Board of Trustees as the members of the PERS Board. The fund is a voluntary investment opportunity for the State and local governments to have assets in their OPEB trusts managed in like fashion to the Public Employees' Retirement Fund. NRS 355.220 authorizes RBIF to invest the money for trust funds established by government agencies for authorized purposes. It is the responsibility of each participating government agency to contribute, withdraw and use the funds for authorized purposes. The funds in the RBIF may be transferred to the State Retirees' Health and Welfare Fund created by NRS 287.0436 for the purposes specified in NRS 287.0436. The only instance when PEBP has used these funds was during the 2010 special session. Section 79 of AB3 directed the State Controller to transfer the sum of \$24.7 million to the fund created by NRS 287.0436. By the time the withdrawal occurred, the market value of the fund had increased which resulted in remaining funds. Although no additional contributions have been made by PEBP, these funds have since been gaining interest and the market value of the fund has grown to approximately \$2.2 million. In March 2021, PEBP withdrew the remaining funds of \$2,161,649.12 from the RBIF account to cover a portion of a shortfall in the Retired Employee Group Insurance subsidy account.

In June 2021, AON Consulting (the "Actuary") released its Nevada Public Employees' Benefits Program's Retiree Health and Life Insurance Plans Actuarial Report for GASB OPEB Valuation for the year ending June 30, 2021 (the "2021 Valuation"). The State is required to report the present value of the benefits of the Plan, as determined in accordance with GAAP. The present value of all benefits is the total present value of all expected future benefits (defined as paid claims and expenses from the Plan, net of retiree contributions) for retirees (both currently retired and active employees), based upon certain actuarial assumptions. As of June 30, 2021, the present value of the benefits of the Plan was \$2,168,896,741 according to the 2021 Valuation. Of this amount, 65% was allocable to currently active employees (future retirees). Active employees include all employees enrolled in PEBP's plan to include the State and the Nevada System of Higher Education ("NSHE"). As of June 30, 2021, the actuarial accrued liability was \$1,503,710,290, based on the 2021 Valuation.

Active Employee Group Insurance

PEBP may be able to adjust the rates and lower premiums paid by employees in subsequent years if trend and costs stay low to the plan. The State's share of the cost of premiums for group insurance for each employee is fixed by the State Legislature. However, there is currently no way for the State to take advantage of lower premiums without additional legislative action.

See Attachment II to this Part II.

Insurance Premium Trust Fund

The State is self-insured for general, civil and vehicle liability. The statutory limit on the State's negligence or tort liability is \$50,000 per claim for causes of action arising before October 1, 2007; \$75,000 per claim effective for causes of action arising on or after October 1, 2007 but before October 1, 2011; \$100,000 for causes of action arising on or after October 1, 2011 and before July 1, 2020; \$150,000 for causes of action arising on or after July 1, 2020 and before July 1, 2022; and \$200,000 for causes of action arising on or after July 1, 2022. The State is also self-insured for comprehensive and collision loss to automobiles and self-insured to \$100,000 for property loss with commercial insurance purchased to cover the excess above this amount. The State currently carries commercial insurance for aircraft liability, crime, excess liability and workers' compensation. The State is contingently liable for

the cost of post retirement heart disease benefits payable under the Nevada Occupational Disease Act. The range of estimated losses from \$6,422,800 to \$22,860,000 has been determined using standard actuarial techniques.

The State pays these claims from the Insurance Premium Trust Fund that is funded from amounts charged to each State agency. The Insurance Premium Trust Fund is shared by both the Nevada Attorney General's Office and the Nevada Risk Management Division as claims administration is split between the two agencies. The Attorney General's Office is responsible for administering tort claims (including general, civil, vehicle liability), while the Risk Management Division administers auto (comprehensive and collision), property and workers' compensation programs.

At June 30, 2020 and 2019, total liabilities exceeded total assets by \$42,893,926 and \$42,999,124 respectively. According to figures derived from actuarial estimates, this Fund is liable for approximately \$43.9 million and \$43.7 million as of June 30, 2020 and 2019, respectively, in potential claims settlements, which have yet to be funded through premium contributions. As NRS 331.187 provides that if money in the Fund is insufficient to pay a tort claim, the claim is to be paid from the reserve for statutory contingency account, and, as management assesses premiums to cover current claims payments, management believes that this provides the opportunity for the Fund to satisfy these liabilities.

CYBERSECURITY

The State operates a large and complex information technology infrastructure to support internal and external operations. As is the case with any such environment, the threat of cybersecurity incidents is a constant one. These incidents may arise from multiple sources, including unintentional events or actions, intentional insider threat, and deliberate malicious attacks or actions from outside entities. The effect of these threats may include unauthorized access to State systems, data or resources, inappropriate exposure or use of State information, disruption of State services, and damage to State systems.

The year 2020 saw a substantial change to Nevada's government operations and computing environment due to the impact of COVID-19. Many agencies were forced to rapidly deploy a remote workforce, with a majority of State employees working from home for an extended period of time. Elements of this mobile workforce strategy remain in place as the State offices have reopened, and are being normalized into standard operations by some agencies. A paradigm shift of this nature under emergency conditions is generally viewed as an opportunity for hackers to strike during the rapid environmental and infrastructural change. However, no breaches were detected during or after the transition, and retroactive threat hunting uncovered no indicators of compromise introduced during the shift from the predominantly office-based workforce.

In the 2019 Legislative session, SB302 was passed requiring all State agencies that collect Personally Identifiable Information ("PII") to comply with the Center for Internet Security ("CIS") controls framework. Therefore, the State has migrated a significant portion of the State Security Program Policy and associated standards to the CIS framework, and is continuing to add new governance and revise current standards to reflect CIS requirements. This policy and set of standards are the baseline controls for reducing or mitigating the risk of impact and/or damage from cybersecurity incidents, applied to all Executive Branch agencies regardless of their status as a PII data collector. These controls are supplemented by generally accepted information security best practices, and other State and Federal laws and regulations. Under this guidance, the State continues to invest in multiple technical, operational and policy-driven safeguards intended to support, maintain and prioritize the security of critical infrastructure and information systems, management of risk, and improvement of cybersecurity event detection and incident response.

The responsibility for development, coordination and operational support of this effort rests with the Office of Information Security, under the direction of the State Chief Information Security Officer ("CISO"). The CISO is also responsible for chairing the State Information Security Committee, made up of Information Security Officers from the agencies making up the Executive Branch of State government; this committee is responsible for establishing and reviewing State information security policies and standards, and coordinating statewide security initiatives. In 2021, representatives from the Legislative and Judicial branches of government joined the Committee, enhancing communication, coordination and transparency in matters pertaining to cybersecurity between the branches of government.

In 2017, the State established the Office of Cyber Defense Coordination as a part of the Department of Public Safety. This office works in concert with the CISO to provide notification, outreach and coordination with non-Executive Branch entities, including Local, Territorial and Tribal governments and the private sector.

Through the State's many services and functions, it receives and holds a considerable amount of sensitive information, including PII, Personal Health Information, Federal Tax Information, and Criminal Justice Information. The State takes appropriate steps to protect this information and the surrounding infrastructure, and to detect any anomalous activity in the environment. Internal testing of the cybersecurity and operational safeguards in the State's infrastructure is performed and coordinated by the Office of Information Security, along with assessments by external auditors. However, the State also acknowledges that no amount of defensive or detective measures can keep out a well-resourced, motivated adversary. To this end, the State security program includes technology and procedures focused on supporting incident response and containment, risk and vulnerability management, disaster recovery, and continuity of operations activities. The State has been the subject of cybersecurity incidents that have resulted in, or could have resulted in, the inappropriate exposure or use of this information or adverse impact to the State's technological environment, and that required a response to mitigate the potential consequences. The majority of these incidents have been quickly identified and contained, with no identified loss or exposure of data and minimal impact to productivity, and the number and frequency of these incidents have diminished over the past three years. However, it is possible for the response to a larger incident to incur unanticipated expenses, as happened in the breach of the State's medical marijuana licensing portal in December 2016. To that end, the State has obtained a cyber-liability insurance policy.

STATE LITIGATION

The staff attorneys of the State Attorney General's Office reported that the State or its officers and employees were parties to numerous lawsuits, in addition to those described below. In view of the financial condition of the State and based on the information provided by the staff attorneys, the State Attorney General is of the opinion that the State's ability to pay its general obligation bonds will not be materially affected by this litigation, based on information known at the time this Official Statement was prepared.

Several of the actions pending against the State are based upon the State's (or its agents') negligence or tort liability in which the State must be named as a party defendant. However, there is a statutory limit to the State's liability of \$50,000 per claim for causes of action arising before October 1, 2007, \$75,000 per claim effective for causes of action arising on or after October 1, 2007, \$100,000 per claim for causes of action arising on or after October 1, 2011, \$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. Buildings and contents are self-insured to \$100,000 for property loss with commercial insurance purchased to cover excess above this amount.

The State and/or its officers and employees are parties to a number of lawsuits that have been filed under the federal civil rights statutes. The State is statutorily required to indemnify its officers and employees held liable for damages for acts or omissions on the part of its officers and employees occurring in the course of their public employment. Several causes of action may be filed against the State based on alleged civil rights violations by its officers and employees. The statutory limit of tort liability (discussed above) does not apply in federal civil rights, federal discrimination and certain employment cases. Accordingly, the potential liability of the State is unascertainable at the present time.

Non-Participating Manufacturers Adjustment relating to nationwide Tobacco Master Settlement Agreement (MSA). In 1998, the State, with 46 other states, and a group of tobacco companies, the Participating Manufacturers, signed the tobacco Master Settlement Agreement ("MSA"). As a signatory to the MSA, the State's diligent enforcement of the provisions of NRS 370A (Qualifying Statute) can be challenged each year by the Participating Manufacturers and may result in arbitration. The State's potential liability is up to the total amount of the MSA payment for every calendar year, which is approximately \$40 million per year. As there is no end date to the MSA, the State must prove diligent enforcement every year and its potential liability remains in perpetuity.

Brown v. Southern Nevada Adult Mental Health Services ("SNAMHS"). This is a medical malpractice class action. The claims for medical malpractice and conspiracy are a result of the discharge of a person from the mental health hospital who was given a voucher for a bus ticket to California. The jury awarded a plaintiffs' verdict, which

was reduced to \$100,000 per plaintiff – the current number of class members is unknown, SNAMHS appealed the verdict. Briefing is completed. The range of potential loss is \$100,000 to \$10,000,000 depending on the number of class members. The Nevada Supreme Court has still not rendered a decision.

Walden et al. v. Nevada Department of Corrections. This is a class action and Fair Labor Standards Act (“FSLA”) collective action on behalf of all State of Nevada Department of Corrections’ (“NDOC”) correctional officers alleging the Department of Corrections failed to pay overtime for the officers’ preliminary and postliminary duties. It also includes a contract and Nevada Constitution claim for the same. The preliminary and postliminary activities alleged to be non-compensated include checking in with the shift supervisor, obtaining keys or handcuffs, walking to the post within the prison, relieving the employee already at the post including exchange of pertinent information, and then the reverse at the end of the shift. The collective class has been conditionally certified, with approximately 3,075 eligible members, and approximately 502 joining the lawsuit. As of March 2016, Plaintiffs calculated their damages to be approximately \$58,345,050, not including interest, costs, and attorneys’ fees. Plaintiffs estimate costs to be approximately \$90,000. The Ninth Circuit determined that NDOC waived its immunity to suit under the Eleventh Amendment, but not its immunity from liability. The parties briefed dispositive motions before the district court. The district court denied all motions without prejudice in light of her act of certifying a question to the Nevada Supreme Court, which may be dispositive of the entire case. The Nevada Supreme Court has now answered the certified question. The Court held that Nevada waived its sovereign immunity to private lawsuits under the Fair Labor Standards Act. Briefing will now resume in the United States District Court in the next 30 days.

Settelmeyer v. State of Nevada. At the close of the 80th Regular Session, the State Legislature enacted two measures: SB551, which removed a mechanism whereby the MBT may be reduced for future fiscal years if collections of the State’s commerce tax and payroll taxes exceeded prior projections by the Economic Forum; and Senate Bill 542 (“SB542”), which extended the expiration date of the Department of Motor Vehicles’ technology fee from June 30, 2020 until June 30, 2022. Both measures were approved by the Governor after passage by a 28-13 vote in the Assembly and a 13-8 vote in the Senate.

Subsequently, Plaintiff Settelmeyer and seven other state senators who voted against the two bills, along with other business entities, sued various State officials and agencies in the First Judicial District Court (the “District Court”), contending that passage of SB551 and SB542 by the Senate failed to satisfy the requirements of Article 4, Section 18 of the Nevada Constitution, which provides that “an affirmative vote of not fewer than two-thirds of the members elected to each House is necessary to pass a bill or joint resolution which creates, generates, or increases any public revenue in any form, including but not limited to taxes, fees, assessments and rates, or changes in the computation bases for taxes, fees, assessments and rates.” The Nevada Supreme Court affirmed the District Court judgment on May 13, 2021.

For the 2019-2021 biennium, it was estimated that the revenue loss in FY 2021 if the Department of Motor Vehicle’s technology fee were voided may be less than \$10 million. See “FINANCIAL INFORMATION—State General Fund Revenue Sources— Commerce Tax,” herein for a discussion of the MBT and commerce tax, and “FINANCIAL INFORMATION – 2021-2023 Biennium” herein for a discussion of the revenue impacts of the Nevada Supreme Court decision.

ACC Enterprises, LLC v. State of Nevada, Dept. of Taxation. This is a case seeking declaratory relief and a petition for writ of mandamus. There were several other causes of action that have since been dismissed via a motion for summary judgment. Plaintiff alleged NDOC failed to consider five applications for retail marijuana establishments during a licensing round in 2018. The applications arrived late pursuant to the application instructions and Plaintiff claims the instructions were ambiguous and that NDOC was estopped from denying their consideration due to last minute advice from a receptionist on how to deliver the applications. The case was filed in January 2019, discovery has been conducted, and some claims dismissed on summary judgment. For the remaining claims, Plaintiff has alleged \$20 million in damages because it did not receive the 5 retail licenses. The sole owner of the licensee died in July 2021 and ACC was placed into receivership as a result. Due to the receivership, the case is currently stayed and has no trial date.

Nevada Yellow Cab Corporation, et al. v. State of Nevada, et al., Clark County District Court Case No.A-20-815593-C. This is an inverse condemnation brought against the State. Plaintiffs are taxicab companies operating under the Yellow Checker Star (“YCS”) umbrella, which owns approximately 48.98 percent of the taxicab

medallions in Clark County. Plaintiffs brought suit against the State alleging that the State’s enactment of legislation in 2015 allowing Transportation Network Companies like Uber and Lyft to operate in Nevada was a taking under the Nevada Constitution of their claimed property rights in holding medallions and certificates of public convenience and necessity from the Nevada Taxicab Authority. The Clark County District Court judge dismissed Plaintiff’s lawsuit against the State. Plaintiffs have since filed an appeal with the Nevada Supreme Court. If the dismissal is overturned and the lower court determines there has been a taking, the State could be liable to Plaintiffs for just compensation, pre-condemnation damages, attorneys’ fees and costs, expert costs, and prejudgment interest. It is estimated that this amount may exceed \$10 million dollars.

Wrongful Conviction Cases. Since 2019, the State provides for compensation to wrongfully convicted persons under NRS 41.900, et seq. The aggregate of the cases currently pending could result in liability to the State in excess of \$10 million, but the State’s potential liability per individual case is under \$5 million. Currently, 5 cases remain pending, and the State is aware of an additional 17 potential cases. The deadline for filing complaints for those released prior to October 2019 was October 1, 2021; however, complainants have 120 days past that deadline to serve the State. Currently, the State is unable to determine the total number complaints filed by this first deadline. Funding for compensation for these cases was included in the legislatively approved budgets for FY 2022 and FY 2023 based on the Attorney General’s estimate of known and potential cases using the calculation in the law.

There are a number of other actions affecting the State, but the State estimates that its potential liability for any single action not described above will not exceed \$10 million.

ECONOMIC AND DEMOGRAPHIC INFORMATION

General

This portion of Part II of this Official Statement contains general information concerning the economic and demographic conditions in the State. It is provided so that prospective investors will be aware of factors that may affect future development and growth within the State. The information presented was obtained from the sources indicated, and the State does not guarantee or make any representation as to the accuracy or completeness of the data presented. The information in this Part II is historic in nature and generally predates the COVID-19 pandemic. It is not possible to predict whether trends reflected in this section will continue in the future as discussed further in “INVESTMENT CONSIDERATIONS — Impacts of COVID-19 Pandemic” in Part I of this Official Statement.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

Population and Age Distribution

Nevada’s population increased from 1,201,833 residents in 1990 to 1,998,257 residents in 2000 and to 2,700,551 residents in 2010, an increase of approximately 66% between 1990 and 2000 and approximately 125% between 1990 and 2010. Nevada’s estimated population in 2020 was 3,104,614, which represents an approximately 15% increase since 2010 and 0.3% decrease from the previous year. Historical and estimated State population figures, by county, are shown in the following Table:

**Table 16
Nevada Population by County**

	1990	2000	2010	2017	2018	2019	2020
Carson City	40,443	52,457	55,274	55,438	56,057	56,151	56,434
Churchill	17,938	23,982	24,877	25,387	25,628	25,832	26,202
Clark	741,459	1,375,765	1,951,269	2,193,818	2,251,175	2,293,391	2,320,107
Douglas	27,637	41,259	46,997	48,300	49,070	49,537	49,082
Elko	33,530	45,291	48,818	53,287	54,326	55,116	55,435
Esmeralda	1,344	971	783	970	969	982	999
Eureka	1,547	1,651	1,987	1,932	1,951	1,955	1,936
Humboldt	12,844	16,106	16,528	16,978	16,989	17,079	17,064
Lander	6,266	5,794	5,775	6,200	6,065	6,109	6,324
Lincoln	3,775	4,165	5,345	5,170	5,255	5,264	5,293
Lyon	20,001	34,501	51,980	54,657	55,551	56,497	57,629
Mineral	6,475	5,071	4,772	4,674	4,690	4,730	4,896
Nye	17,781	32,485	43,946	46,390	47,856	48,472	48,414
Pershing	4,336	6,693	6,753	6,743	6,858	6,935	6,983
Storey	2,526	3,399	4,010	4,084	4,227	4,258	4,304
Washoe	254,667	339,486	421,407	451,923	460,237	469,801	473,606
White Pine	9,264	9,181	10,030	10,705	10,678	10,826	10,477
Nevada Total	1,201,833	1,998,257	2,700,551	2,986,656	3,057,582	3,112,937	3,145,185

Source: 1990, 2000, 2010, and 2020: U.S. Bureau of the Census; 2017-2020: Nevada State Demographer.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

The following Table sets forth a comparative age distribution profile for Clark County, Washoe County, the State and the United States in 2019:

Table 17
Age Distribution

Age	Percent of Population			
	Clark County	Washoe County	State	United States
14 and under	19.2%	17.8%	18.7%	18.4%
15-24	12.0	12.6	11.9	13.0
25-34	14.9	15.0	14.6	13.9
35-54	26.9	24.6	26.2	25.2
55 and older	27.0	30.0	28.6	29.4

Source: U.S. Census Bureau, 2019 American Community Survey 1-Year Estimates.

Income

The following Table sets forth annual per capita personal income levels of the Las Vegas-Paradise MSA (which consists of Clark County), the Reno-Sparks 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 second quarter of 2021:

Table 18
Per Capita Personal Income

Year	Las Vegas-Paradise MSA	Reno-Sparks MSA	State	United States
2016	\$43,573	\$52,263	\$45,001	\$49,890
2017	45,798	57,070	47,650	52,118
2018	47,759	61,900	50,000	54,606
2019	48,806	63,238	51,161	56,490
2020	-- ⁽¹⁾	-- ⁽¹⁾	53,750	59,494
2021	-- ⁽¹⁾	-- ⁽¹⁾	57,634 ⁽²⁾	64,203 ⁽²⁾

⁽¹⁾ Not yet available.

⁽²⁾ Quarterly per capita personal income for the second quarter of 2021.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

The following Tables depict Median Household Income and Percent of Households by Income Groups for Clark County, Washoe County, the State and the United States.

Table 19
Median Household Income

Year	Clark County	Washoe County	State	United States
2015	\$51,552	\$56,382	\$52,431	\$55,775
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

Source: U.S. Census Bureau, 2019 American Community Survey 1-Year Estimates.

Table 20
Percent of Households by Income Groups

Income Group	Clark County Households	Washoe County Households	State Households	United States Households
Under \$25,000	18.1%	16.1%	17.8%	18.1%
\$25,000 - \$49,999	21.5	17.8	21.1	20.3
\$50,000 - \$99,999	32.6	32.5	32.6	30.2
\$100,000 and Over	27.8	33.6	28.4	31.4

Source: U.S. Census Bureau, 2019 American Community Survey 1-Year Estimates.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

Employment

The following Tables set forth labor force and employment statistics for the State. The State experienced high rates of unemployment beginning in 2008 through 2012, reaching a high of 13.7% in November 2010. The State has experienced higher rates of unemployment as a result of the COVID-19 pandemic, as described under “INVESTMENT CONSIDERATIONS — Impacts of COVID-19 Pandemic” in Part I of this Official Statement. The State’s unemployment rate for the month of September 2021 was 7.5% (seasonally adjusted).

Table 21⁽¹⁾
Average Annual Labor Force Summary

Calendar Year	2016	2017	2018	2019	2020	2021 YTD ⁽⁴⁾
Total Labor Force	1,414,233	1,453,132	1,505,604	1,566,380	1,530,872	1,546,762
Unemployed	81,843	72,925	66,005	61,152	196,456	119,893
Unemployment Rate ⁽²⁾	5.8%	5.0%	4.4%	3.9%	12.8%	8.0%
Total Employment ⁽³⁾	1,332,390	1,380,207	1,439,599	1,505,228	1,334,416	1,426,869

(1) Subject to revision as additional information becomes available, not 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 2016 through 2020 were 4.9%, 4.3%, 3.9%, 3.7%, and 8.1% respectively.

(3) Adjusted by census relationships to reflect number of persons by place of residence.

(4) Through September 2021.

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

Table 22⁽¹⁾
Average Establishment-Based Industrial Employment by Calendar Year
(Estimates in Thousands)

Industry Classification ⁽²⁾	2016	2017	2018	2019	2020 ⁽⁴⁾	2021 YTD ⁽³⁾⁽⁴⁾
Natural Resources and Mining	13.7	14.2	14.6	14.7	14.9	14.9
Construction	75.8	83.2	89.4	96.2	93.7	91.7
Manufacturing	43.7	47.9	55.6	59.4	56.1	59.2
Trade (wholesale and retail)	178.3	181.4	185	186.7	177.5	188.0
Transportation, Warehousing and Utilities	63.5	67.2	70.4	74.5	78.5	86.5
Information	14.7	15.2	15.7	15.8	13.5	13.6
Financial Activities	62.8	65.5	67.5	69	66.7	68.0
Professional and Business Services	176.2	181.6	189.9	195.5	180.0	188.1
Education and Health Services	127.1	132.8	139.7	144	141.2	142.8
Leisure and Hospitality (casinos excluded)	159.1	165	169.3	173.6	135.5	151.5
Casino Hotels and Gaming	186.2	184.8	183.5	181.7	120.4	112.3
Other Services	40	40.9	41.6	41.5	36.8	41.1
Government	157.5	160.6	161.8	165.2	159.6	159.5
Total All Industries	1,298.6	1,340.2	1,383.8	1,417.8	1,274.4	1317.0

(1) Based on non-seasonally adjusted CES information as of September 2021. 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) Through September 2021.

(4) 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.

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

See also “INVESTMENT CONSIDERATIONS—Impacts of COVID-19 Pandemic” in Part I of this Official Statement for a discussion of the impact of unusually high unemployment claims on the timing of the State’s 2020 ACFR.

Educational Attainment

The following Table sets forth educational attainment statistics for the State.

Table 23
Educational Attainment
(Civilian Labor Force Aged 25 and Older)

	Male	Female	Total ⁽¹⁾
Total population	49.7%	50.3%	100.0%
Educational Attainment Level			
Not a high school graduate	13.2	13.1	13.2
High school graduate (including equivalency)	28.6	27.0	27.8
Some college or associate degree	33.4	33.3	33.4
Bachelor’s degree	15.8	17.5	16.7
Graduate or Professional Degree	9.0	9.0	9.0

⁽¹⁾ Totals may not add exactly due to rounding.

Source: U.S. Census, 2019 American Community Survey 1-Year Estimates.

Sales and Use Tax

Aggregate sales and use taxes imposed in Nevada’s counties currently range from 6.85% to 8.375% (Esmeralda County and Clark County, respectively). The State General Fund’s share (2%) is a major source of revenue for the State’s General Fund. See “FINANCIAL INFORMATION—State General Fund Revenue Sources.” Clark County and Washoe County are the major sources of taxable sales revenue in the State. The following table presents a record of taxable sales in the State:

Table 24⁽¹⁾
Transactions Taxable Under the Nevada Sales and Use Tax Laws

Fiscal Year Ended June 30	Taxable Sales	Percentage Change
2016	\$52,788,295,421	4.85%
2017	56,547,741,530	7.12
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
FY 21 (July-August 2020)	9,880,610,711	-
FY 22 (July-August 2021)	12,815,559,142	29.70

⁽¹⁾ Subject to change.

Source: State of Nevada - Department of Taxation.

The COVID-19 pandemic has had a significant impact on the economy of the State and its long-term impacts are not known. See “INVESTMENT CONSIDERATIONS—Impacts of COVID-19 Pandemic” in Part I of this Official Statement.

Gaming and Tourism

The economy of Nevada is largely dependent upon a tourism industry based upon legalized gaming and related forms of entertainment. The industry represents a significant source of revenues for the State, as well as for county and other local jurisdictions in which gaming companies operate. Gross taxable gaming revenue has increased in four of the last five fiscal years. In FY 2017, the increase to gaming revenues was driven primarily by increased convention attendance and record visitation on the Las Vegas Strip. During FY 2018 and FY 2019, the increases to gaming win were driven by markets outside of the Las Vegas Strip. Gaming collections from all sources increased during FY 2019, ending a streak of four consecutive fiscal year decreases to gaming collections (FY 2015 through FY 2018). The primary reasons for the decreases in gaming collections during that period were tax credits applied against percentage fees. Furthermore, legislative changes made during the 2015 session to the Live Entertainment Tax further reduced collections during FY 2016 and FY 2017. During FY 2019, a total of \$43.5 million in tax credits were applied against percentage fees. During FY 2020, gaming revenue and collections recorded significant decreases compared to FY 2019 as a result of the COVID-19 pandemic and related government responses. An additional \$22.6 million in tax credits were applied against percentage fee collections in FY 2020. And, in FY 2021, a total of \$1.0 million in tax credits were applied against percentage fee collections.

As the table below illustrates, FY 2021 gaming revenue and collections recorded significant increases compared to FY 2020. These increases can be attributed to the resumption of gaming activities that were temporarily suspended due to the COVID-19 pandemic during FY 2020. The detrimental economic impact of COVID-19 on Nevada's tourism industry was significant. However, the economic outlook has dramatically improved with the successful rollout of vaccines, the decrease in infection rates, and the subsequent loosening of capacity restrictions on the gaming floor. Additionally, federal stimulus, strong demand, and the return of live entertainment, special events and leisure travel have propelled gaming revenues amounts beyond pre-pandemic levels.

Table 25⁽¹⁾
Gross Taxable Gaming Revenues and Total Gaming Taxes

Fiscal Year Ended June 30	Gross Taxable Gaming Revenue ⁽²⁾		State Gaming Collection ⁽³⁾	
	State Total	% Change	State Total	% Change
2017	10,964,590,630	-	874,777,727	-
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	9,150,243,978	-19.44	617,451,077	-32.85
2021	10,346,292,130	13.07	885,683,152 ⁽⁴⁾	43.44 ⁽⁴⁾
July – Sep. 20	2,320,876,068	--	244,475,152	--
July – Sep. 21	3,533,167,334	52.23	289,491,347 ⁽⁵⁾	18.41 ⁽⁵⁾

(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 \$126 million in unused tax credits that were collected in FY 2020 and transferred to FY 2021 at fiscal year-end.

(5) Includes approximately \$7.8 million in unused tax credits that were collected in FY 2021 and transferred to FY 2022 at fiscal year-end.

Source: State of Nevada - Gaming Control Board.

Gaming Is a Highly Regulated Industry. The five-member Nevada Gaming Commission and the three-member Nevada Gaming Control Board, both appointed by the Governor, investigate and approve all licenses, establish operating rules, monitor the activities of licensed establishments, and collect State gaming fees and taxes. In addition to the State, local governments also license, levy taxes, and regulate gaming establishments and licensees. The laws, regulations, and ordinances of both state and local governments regulate the licensing, operations, and

financial stability of the businesses as well as the background and character of the owners, managers, and persons with financial interests in the gaming industry.

The Gaming Industry Is Highly Competitive. Prior to the 1980s, Nevada was the only state with legalized casino gaming, although some forms of gaming (such as pari-mutuel horse, dog, and jai alai betting) existed in other states. A significant proliferation of casino and other forms of gaming has occurred outside of Nevada, both nationally and internationally, in recent years. According to the American Gaming Association, there are currently 43 states with some form of legalized commercial or tribal gaming, including land-based casinos, riverboats, racetrack casinos (racinos), online gaming (igaming) and electronic gaming devices at bars, restaurants or other licensed establishments. In many of these states, there are multiple forms of gaming in operation. Overall, 25 states have commercial (commercial casinos/racinos) casinos, 29 states have tribal casinos, 11 states have legal electronic gaming devices in non-casino/racino locations, and 6 states offer igaming. While Nevada continues to be the largest commercial casino market in the United States, California generates the most gaming revenue from Native American gaming facilities.

Gaming continues to expand in foreign countries as well. Nevada no longer enjoys a near-monopoly on the United States gaming market as it did historically. Competition from casino gaming, state-run lotteries, and other forms of gaming will likely continue to increase in the future. Additionally, on May 14, 2018, the Supreme Court of the United States ruled the Professional and Amateur Sports Protection Act was unconstitutional, allowing other states to consider legalized sports wagering. As of now, 28 other states, including Washington D.C., have legalized and implemented sports wagering within their respective states, with several others considering legalization. The impact of such expansion and proliferation upon Nevada’s gaming economy is uncertain.

Information relating to the occupancy rates of hotels is not available on a state-wide basis. This information is generally only available for Clark County (Las Vegas) and for Washoe County (Reno and Sparks) as provided in the following Tables:

**Table 26
Visitor Volume and Room Occupancy Rate
Las Vegas Metropolitan Area, Nevada**

Calendar Year	Total Visitor Volume	Average Nightly Number of Rooms		National Occupancy Rate
		Available	Occupancy Rate	
2016	42,936,100	149,339	89.1	65.0%
2017	42,214,200	148,896	88.7	65.7
2018	42,116,900	149,158	88.2	66.2
2019	42,254,000	149,422	88.9	65.3
2020	19,031,000	143,117	42.1	44.0
2020 YTD ⁽¹⁾	12,708,100	136,228	42.9	44.7 ⁽²⁾
2021 YTD ⁽¹⁾	19,788,800	147,244	61.7	53.7 ⁽²⁾

⁽¹⁾ Through August.

⁽²⁾ Through 2019 Q2, 2020 Q2, and 2021 Q2. Source: STR (formerly Smith Travel Research, Inc.).

Source: Las Vegas Convention and Visitors Authority.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

Table 27
Visitor Volume and Room Occupancy Rate
Washoe County, Nevada

Calendar Year	Total Visitor Volume	Average Nightly Number of Rooms Available	Occupancy Rate⁽¹⁾	National Occupancy Rate
2016	4,204,221	23,875	67.7%	65.0%
2017	4,430,342	23,721	71.3	65.7
2018	4,275,102	23,404	69.6	66.2
2019	4,131,061	23,129	67.3	65.3
2020	2,654,786	19,173	59.8	44.0
2020 YTD ⁽²⁾	1,677,567	18,370	58.2	44.7 ⁽³⁾
2021 YTD ⁽²⁾	2,504,048	21,046	63.0	53.7 ⁽³⁾

⁽¹⁾ The rooms and units in all types of accommodation (with three or more rooms/units) licensed with the Reno-Sparks Convention and Visitors Authority to rent rooms/units on a short-term basis.

⁽²⁾ Through August.

⁽³⁾ Through 2019 Q2, 2020 Q2, and 2021 Q2 Source: STR (formerly Smith Travel Research, Inc.).

Source: Reno-Sparks Convention and Visitors Authority.

Table 28
Convention and Visitors Authority Room Tax Revenue

Las Vegas Convention and Visitors Authority			Reno Sparks Convention and Visitors Authority		
Fiscal Year	Revenue⁽¹⁾	% Change	Fiscal Year	Revenue⁽¹⁾	% Change
2017	281,410,351	6.92	2017	23,055,518	9.63
2018	282,624,622	0.43	2018	25,804,936	11.93
2019	287,742,299	1.81	2019	26,601,648	3.09
2020	214,927,383	-25.31	2020	21,102,336	-20.67
2021	126,517,173	-41.13	2021	21,434,771	1.58
--	--	--	July 2020-Aug. 2020	3,644,976	-37.68
--	--	--	July 2021-Aug. 2021	6,649,806	82.43

⁽¹⁾ The Room Tax Revenue is retained locally and is not part of the State's room tax revenue.

Source: Las Vegas Convention and Visitors Authority; Reno-Sparks Convention and Visitors Authority.

Transportation

Las Vegas and Reno, the State's two major population centers, are 400 miles apart. Both cities have airports designated as international ports of entry and are served by scheduled airlines and supplemental charter carriers.

McCarran International Airport in Las Vegas reported having a total of 51.5 million commercial and charter passengers enplaned and deplaned in 2019, making it the busiest year in the airport's 70-year history. This reflected an increase from 49.7 million in 2018 (an increase of 1.9 million passengers or 3.8% over the period). The Reno/Tahoe International Airport reported having a total of 4.5 million passengers enplaned and deplaned in 2019, the largest number of annual passengers since 2007, an increase of 5.7% from 2018. As a result of the COVID-19 pandemic, cancellations and postponements of events at major venues within the State have occurred and travel through airports in the State significantly declined. For example, the McCarran International airport reported only 22 million commercial and charter passengers enplaned and deplaned in 2020, a decrease of 56.9% from 2019. Likewise, during calendar year 2020, the Reno Tahoe International Airport served 2 million passengers, a decrease of 54.9% when compared to 2019. The most recent statistics available for each airport indicate that these statistics appear to be

rebounding. The Reno-Tahoe International Airport served 438,168 passengers in July 2021, an increase of 210.8% versus July 2020, and an increase of 1.4% from July 2019. The McCarran International Airport enplaned and deplaned 3.8 million commercial and charter passengers in August 2021, reflecting an increase of 119% from 2020 levels, while still 14.1% lower than 2019 levels. See “INVESTMENT CONSIDERATIONS — Impacts of COVID-19 Pandemic” in Part I of this Official Statement for further information about the impacts of the pandemic.

Two major railroads cross Nevada, while short lines serve as feeders. Several national bus lines and trucking lines serve the State.

Xpresswest plans to build a fully electric, high-speed train that would connect Las Vegas and Southern California by 2026. The 170-mile high-speed line would link Las Vegas, Nevada with Victorville, California, a town about an hour-and-a-half drive northeast from Los Angeles on the only direct route from Los Angeles to Las Vegas by car. Construction is expected to commence this year and be completed in 2026. The rail option is expected to take half the time of driving. This transportation option is expected to provide a fast and efficient connection that gets people out of their cars, reduces traffic congestion, and decreases air pollution. Once in full operation, Xpresswest estimates that the line will carry 10 million passengers annually.

The State highway system consists of approximately 5,400 centerline miles, which includes the federal-aid highway system and other improved roads. There are nine federal highways in Nevada, three 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 with the San Francisco Bay area and the Reno-Sparks area. Interstate 580 connects Reno and Carson City. The full 15 miles of Interstate-11 (aka Boulder City Bypass) opened on August 8, 2018. This is the first segment of Interstate-11 in the United States. Interstate-11 will connect Phoenix and Las Vegas, the two largest metropolitan cities not connected via an interstate. Ultimately Interstate-11 is planned to be a north-south interstate connecting Mexico and Canada as a secondary route to Interstate 5.

U.S. Highways 95 and 93 are major routes north from Las Vegas, through Fallon and Ely, Nevada, respectively. South of Las Vegas, U.S. Highway 95 extends to the Mexican border, generally following the Colorado River, and U.S. Highway 93 crosses into Arizona. U.S. Highway 395 connects Nevada with Washington, Oregon, and California, as well as Canada, and U.S. Highway 6 connects California, Nevada, Utah all the way out to at least Iowa.

Nevada is less than one day’s drive to more than 40 million consumers and five major U.S. ports serving the Pacific Rim. Northern Nevada is at the center of the western region, with 11 states and 53 million people only one day’s drive away. Southern Nevada is just hours away from the Southern California markets and within 2-day delivery of nearly every state west of the Mississippi River

Economic Development

The Nevada Governor’s Office of Economic Development (“GOED”) promotes a robust, resilient, and prosperous economy in Nevada, stimulates business expansion and retention, encourages entrepreneurial enterprise, attracts new businesses, and facilitates community development. GOED is assisted by Regional Development Authorities across the State when a business chooses to locate or expand within their respective region.

GOED has seven industry focal areas:

- Aerospace & Defense
- Health & Medical Services
- Information Technology
- Manufacturing & Logistics
- Mining
- Natural Resource Technologies
- Tourism, Hospitality & Gaming

Additionally, GOED is advancing the development of emerging industry clusters that center on water technology, unmanned aerial systems, blockchains technology, artificial intelligence, robotics, and advanced manufacturing. Nevada's ability to grow its industries is dependent upon a trained workforce, and GOED plays an important role in ensuring that industry demand is matched with an educated, skilled, and available workforce.

GOED is able to offer incentives to qualifying companies, following GOED Board approval, to create jobs and alleviate some costs associated with expanding or relocating in the State. GOED's incentives include: Sales and Use Tax Abatement; Modified Business Tax Abatement; Personal Property Tax Abatement; Real Property Tax Abatement for Recycling; Data Center Abatement; and Aviation Parts Abatement.

GOED's International Trade Division ("ID") facilitates export growth of Nevada companies abroad, increases foreign direct investment in the Silver State, recruits foreign expansion, fosters higher education global partnerships, and is responsible for international entrepreneurship and innovation projects, and diplomatic protocol. ID performs activities by promoting Nevada's small to medium enterprises nationwide and globally through cultivating high-level partnerships with federal, state, local, foreign governments, and international organizations and associations in numerous countries around the world, specializing in international trade, export assistance, and foreign investment. ID identifies opportunities for export as well as recruiting foreign companies to Nevada through strategic programs that enhance the state's growth clusters and provide high-paid jobs for Nevadans. On behalf of the State, ID administers the State Trade Expansion Program, funded in part through a grant with the U.S. Small Business Administration, with the aim to assist Nevada small businesses looking to begin exporting their products/services or expand into new export markets.

The Nevada Film Office is a GOED division that provides assistance to the local and national television and film production community.

The Nevada Procurement Technical Assistance Center, Procurement Outreach Program, is a division of GOED that provides procurement technical assistance to Nevada businesses, especially the small businesses, that are interested in pursuing contracting opportunities with government agencies and subcontracting opportunities with government prime contractors, at every level (local, state, and federal) whether inside and/or outside of Nevada.

The Nevada Local Emerging Small Business Certification is administered by GOED and assists small businesses in obtaining work with state and local government agencies.

The Rural Community and Economic Development Division in GOED promotes community development throughout rural Nevada. The Division administers the State's Non-Entitlement Community Development Block Grant Program which aids in the development of suitable living conditions, increases the supply of decent housing, and helps create economic opportunities in the rural parts of the State. In FY 2021, 14 projects were funded in the statewide program for a total of \$3,938,477. In response to the COVID-19 pandemic, the U.S. Department of Housing and Urban Development ("HUD") Community Development Block Grant Program ("CDBG") notified the Nevada Non-Entitlement CDBG Program that it received a formula allocation in the amount of \$14,488,197 in three rounds of funding to be used specifically for the prevention of, preparation for, and response to the COVID-19 pandemic. The allocation was authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136, which was signed on March 27, 2020. As of October 2021, \$13,839,187.60 has been awarded to projects in Nevada.

In FY 2020 the Further Consolidated Appropriations Act of 2020 (Public Law 116-94) allocated to 25 grantees whose age-adjusted rate of drug overdose deaths is above the 2016 national rate of 19.8 per 100,000, funding for the Recovery Housing Program ("RHP"). The program is authorized under Section 8071 of the SUPPORT Act. Nevada was allocated \$847,000 in FY 2020 and \$773,125 in FY 2021 for a total \$1,620,125 award. By December 31, 2022, 30% (\$486,037.50) must be expended and all RHP awards must be expended by September 1, 2027. An Annual Action Plan must be submitted to HUD by December 31, 2021.

The Rural Division also administers the Nevada Main Street Program, a holistic approach to downtown revitalization that involves business creation/retention, historic preservation, and housing to develop healthy and economically vibrant communities. In FY 2021, six grants were awarded statewide for a total of \$126,034.

For the first nine months of FY 2021, the State’s economic development efforts resulted in approximately \$620 million of recent or anticipated business investment in the State, 3,154 new jobs, within the first two years of operation, and the arrival or expansion of 32 companies. GOED and the Nevada Department of Taxation monitor this investment on an ongoing basis in order to determine actual outcomes against projected outcomes.

The Tesla Gigafactory was built to construct the lithium-ion batteries that are used to power Tesla electric motor cars at reduced production costs. As of June 30, 2021, the project has employed 8,574 New Qualified Employees and 16,396 Construction Employees.

The American Rescue Plan Act of 2021 (“ARPA”) reauthorizes and amends the Small Business Jobs Act of 2010, which established the State Small Business Credit Initiative (“SSBCI”) Program. ARPA provides a combined \$10 billion to states, the District of Columbia, territories, and Tribal governments (Eligible Jurisdictions) to help address the economic fallout of the pandemic and lay the foundation for a strong and equitable recovery by providing direct support to jurisdictions for programs that increase access to credit for small businesses. SSBCI provides Eligible Jurisdictions funding for: (1) small business financing programs, which includes capital access programs, loan participations, loan guarantees, collateral support, and venture equity programs; and (2) technical assistance to small businesses applying for SSBCI and other government programs. Preliminary program allocations based on employment pursuant to Section 3003(b) and very small business, Section 3003(f), for states, territories, and the District of Columbia can be found in the table posted to the United States Treasury’s website. The most common types of programs Eligible Jurisdictions adopted under the prior iteration of the SSBCI include: (i) Capital Access Programs, and (ii) Other Credit Support Programs (including Loan Participation Programs, Loan Guarantee Programs, Collateral Support Programs, and State-run Venture Capital Fund Programs). Updated program rules, eligibility criteria, and the application for Eligible Jurisdictions will be forthcoming. General program parameters require participating states to demonstrate a reasonable expectation of leveraging \$10 of new small business financing for every \$1 of SSBCI funding expended over the duration of the entire state program with a \$1 new small business financing for \$1 of SSBCI funding expended at all times.

Currently, Nevada’s SSBCI Program consists of a Venture Program (Battle Born Growth Escalator) and a Collateral Support Program. GOED will be the State agency applying for SSBCI funding under ARPA. GOED is currently working on designing the proposed program-structure which will represent a substantial expansion in both scale and scope compared with the previous program.

GOED oversees the Knowledge Fund. At the 81st (2021) Regular Legislative Session, the Knowledge Fund was approved for a \$5 million allocation for the FY 2022 biennial budget. To obtain this funding, the eligible three research institutions of the Nevada System of Higher Education (University of Nevada Las Vegas, University of Nevada Reno, the Desert Research Institute) submit applications to GOED for projects that could benefit from Knowledge Fund support. Those projects are intended to spur research, innovation, and commercialization in Nevada.

GOED also administers the Workforce Innovations for a New Nevada (“WINN”) Program. Through WINN, GOED partners with companies and Nevadan higher learning institutions to address the availability and capacity of training programs enabling companies to recruit from a pipeline of qualified employees. WINN also allows Nevadans to receive the training necessary to access high-skill and high-wage occupations in Nevada’s most promising and emerging industries. As of June 30, 2021, WINN has allocated nearly \$11 million to priority projects since its inception in 2017. The fund received an allocation of \$1.5 million of State General Funds for the 2021-2023 Biennium.

The State was selected by the FAA as one of seven test site locations for flying Unmanned Aerial Systems (“UAS”). Since 2013, the UAS Test Sites have supported drone integration by providing an avenue for the drone industry and stakeholder community to conduct more advanced drone research and operational concept validation.

Federal Activities

Operations and facilities of the federal government in the State have been significant, beginning with Hoover Dam in the 1930s, an Army Air Force gunnery school (which later became Nellis Air Force Base) during World War II, and the subsequent creation of the Nevada National Security Site (formerly the Nevada Test Site). Currently, the following major federal activities are located in the State.

Hoover Dam. Hoover Dam, operated by the 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 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 North 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") was established in 1950 as the nation's proving ground for nuclear weapons testing. In recent years, under the direction of the Nevada Site Office of the U.S. Department of Energy ("DOE"), 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. NNSS has been designated as an Environmental Research Park where scientists and students can conduct research on environmental issues. Located 65 miles north of Las Vegas, the NNSS is a massive outdoor laboratory and national experimental center. NNSS comprises approximately 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 approximately 5,470 square miles. Federal employees and independent contractors are employed at NNSS.

Yucca Mountain. The federal government previously planned to use Yucca Mountain (located approximately 90 miles northwest of Las Vegas in Nye County) as a national repository for high-level radioactive waste and spent nuclear fuel from civilian nuclear power plants around the country. The DOE submitted in 2008 a license application to the U.S. Nuclear Regulatory Commission (the "NRC") seeking authorization to construct the nuclear waste and spent fuel repository, but the NRC suspended its review. Following various challenges, in 2013 the U.S. Court of Appeals for the District of Columbia Circuit ordered the NRC to resume the statutory license review process unless Congress declares otherwise through legislation or until appropriated funds are depleted. While NRC review of the Yucca Mountain application continues, there are significant hurdles to its approval, strong opposition to the project, and a current lack of federal funding (no new funds appropriated since September 2010). The Biden Administration (the "Administration") has not included Yucca Mountain in its FY 2022 budget request. In February 2021 through May 2021 President Biden and Energy Secretary Jennifer Granholm made public statements declaring that the Administration would no longer pursue Yucca Mountain. The Congress has taken no final actions on FY 2022 appropriations for DOE and NRC. Supporters of Yucca Mountain in Congress have stated that they will continue to try to add funding. While those efforts to add funding appear unlikely to succeed, there is no way of knowing at present whether or when Congress will provide new Yucca Mountain funding. Congress is also considering authorizing legislation which could revive the DOE repository program and speed-up the NRC licensing process. Therefore, the status of the proposed high-level nuclear waste repository at Yucca Mountain remains uncertain as of November 2021.

Mining

Nevada is called the "Silver State" because of the vast quantities of silver mined from the Comstock Lode in the 19th Century. Today, Nevada's mining industry production consists of metals, industrial minerals, oil and gas, and geothermal energy. The total value of mineral production (excluding oil, gas and geothermal) in Nevada reached \$9.4 billion in 2020. Gold is the primary source of mining revenue which reached \$8.2 billion in 2020. Nevada leads the nation in gold production and has the only operating lithium mine in the U.S.

Oil and natural gas exploration activity continues in Nevada, albeit at a slow pace compared to other regions in the country. During 2020, 218,372 barrels of oil were sold. There are no commercial sales of natural gas in Nevada; however, small quantities are produced and used to fuel oil production facilities on leased sites.

Net geothermal energy production sold totaled 3.96 million megawatt-hours in 2020 from 26 electrical generating plants. Nevada remains the second largest geothermal energy producer in the nation, behind California.

According to the Nevada Department of Employment, Training and Rehabilitation, in 2020, an average of 15,136 people were directly employed in the minerals industry at an average annual salary of \$104,205.

According to the Nevada Division of Minerals, gold and silver currently account for 88% of total value of metal and non-metal mine production in the Nevada mining industry. The following Table compares the calculated value of mineral production for the periods indicated:

Table 29⁽¹⁾
Mineral Production

Calendar Year Ending	Millions of Dollars	% Change
2016	\$7,868	10.5%
2017	8,257	4.9
2018	7,909	-4.2
2019	7,735	-0.2
2020	9,201	19.0

⁽¹⁾ Estimates. Does not include oil, gas and geothermal energy.

Source: State of Nevada - Commission on Mineral Resources-Division of Minerals.

The following Table presents the amount of selected mineral commodities produced in the State during the periods indicated:

Table 30
Mineral Production
(By Weight)
(In Thousands)

	2016	2017	2018	2019	2020
Gold	5,468 oz	5,642 oz	5,581 oz	4,868 oz	4,633 oz
Copper	160,218 lbs	145,812 lbs	144,656 lbs	143,718 lbs	154,265 lbs
Silver	8,947 oz	8,477 oz	8,011 oz	6,252 oz	6,127 oz
Gypsum	3,276 tons	3,484 tons	3,340 tons	1,930 tons	2,417 tons
Lithium Compounds	9,335 lbs	10,233 lbs	12,909 lbs	7,888 lbs	6,903 lbs

Source: State of Nevada - Commission on Mineral Resources-Division of Minerals.

Electric Utilities

NV Energy, Inc. (“NV Energy”), formerly Sierra Pacific Resources, was acquired by Berkshire Hathaway Energy in 2013. Through its subsidiaries, which include Sierra Pacific Power Company and Nevada Power Company (each doing business as NV Energy), NV Energy supplies electric service to Las Vegas and surrounding Clark County, and to much of northern Nevada. NV Energy through its subsidiaries provides electric and natural gas services to a range of over 1.5 million residential, commercial, industrial and public sector customers. Under current Nevada law, a single electric company may be the only authorized electricity provider within a particular region within the State.

Water

Nevada is one of the intermountain states and is 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 receives less annual average precipitation than any other state. The availability of water is important to continued growth and development in the State, particularly in its two most populous counties, Clark County and Washoe County. The water providers for those two counties are briefly discussed below.

Clark County

The major water purveyors in Clark County are the Big Bend Water District; the cities of Boulder City, Henderson, and North Las Vegas; the Las Vegas Valley Water District (“LVVWD”); and Nellis Air Force Base. The LVVWD provides water service to the City of Las Vegas and most of the unincorporated urban areas of Clark County. Jean, Kyle Canyon, Blue Diamond, and Searchlight have their own water systems, but the LVVWD serves as operating agent for them. The Big Bend Water District, operated by the LVVWD, serves the Town of Laughlin, and the Coyote Springs Water Resources District, operated by the LVVWD, serves the community within the Coyote Spring valley. In addition, the Virgin Valley Water District serves the City of Mesquite and surrounding area, and the Moapa Valley Water District serves Logandale, Overton, Moapa and Glendale.

The Southern Nevada Water Authority (“SNWA”) was established to address water issues on a regional basis rather than an individual purveyor basis. The members of the SNWA include the cities of Boulder City, Henderson, Las Vegas, North Las Vegas, the Big Bend Water District, Clark County Water Reclamation District, and the LVVWD (each, a “Purveyor Member”). The SNWA works collaboratively with its member agencies to manage regional water facilities; address water resource management and water conservation on a regional basis; manage and develop additional water supplies for Southern Nevada; and expand and enhance regional treatment and delivery capabilities. The LVVWD provides the management and staff for the SNWA. The SNWA has no employees of its own.

Over 95% of the water supply for southern Nevada is pumped from Lake Mead. Lake Mead is one of two major reservoirs on the Colorado River, which is fed by snowpack in the Rocky Mountains. According to a study released by the U.S. Bureau of Reclamation in 2012, the Colorado River Basin is projected to have significant water shortages in the coming years due to many factors, including population growth in the Colorado River Basin, droughts and climate change. The U.S. Bureau of Reclamation publishes Projected Future Conditions generally twice a year that discusses modeled probabilities for shortage. The Bureau of Reclamation’s August 2021 forecast projected Lake Mead’s elevation to be below 1,075 feet on January 1, 2022, and the Secretary of Interior declared the first ever shortage resulting in reductions in Arizona and Nevada’s Colorado River allocation during 2022. Shortages of Colorado River water under the current operational guidelines could impact the availability of a portion of SNWA’s share of the State’s full allotment of Colorado River water. However, it is important to note that the SNWA’s consumptive use is less than the full allotment and the projected reductions is not expected to prevent the SNWA from meeting its needs for several decades. The State’s annual consumptive use right to Colorado River water is 300,000 acre-feet. This right was established pursuant to the Colorado River Compact, various federal laws, contracts, and various court decrees. Consumptive use is the amount of water withdrawn, less water that is returned to the river. The SNWA and its Purveyor Members’ share of the State’s annual Colorado River consumptive use right is about 276,000 acre-feet annually plus Nevada’s unused Colorado River apportionment of non-SNWA water users. In calendar year 2020, the SNWA diverted 448,397 acre-feet of water from the Colorado River through the Southern Nevada Water System. This figure includes southern Nevada’s extraordinary water reuse system, which returns approximately 40 percent of the community’s total water use as highly treated wastewater back to the Colorado River system. Through this return flow credit process, southern Nevada consumes less water than it diverts each year. In calendar year 2020, 255,568 acre-feet of Nevada’s 300,000 acre-feet of Colorado River water allocation was consumed. The SNWA also has a contractual right to unused and surplus Colorado River water when available as determined by the Secretary of the Interior. The SNWA’s Water Resource Plan demonstrates SNWA’s ability to continue to meet demands utilizing its portfolio of water resources under varied conditions including currently defined shortage levels and projected effects of climate change.

Projections of water resources availability and water demands are subject to uncertainty resulting from numerous variables and that actual results may differ, possibly materially, from those contemplated in the projections. The water systems across southern Nevada are susceptible to certain risks posed by persistent, severe drought, seismic activity, and power outages.

In addition to aggressive water conservation measures, the SNWA developed and maintains a comprehensive Water Resource Plan to manage current and future resources available to Southern Nevada. The plan, which was first adopted in 1996, is reviewed annually and updated as needed. The Water Resource Plan provides a demand projection for Southern Nevada and outlines a portfolio of water resource options to meet projected water demands over a 50-year planning horizon. This portfolio approach enables the SNWA to quickly respond to changing conditions. The portfolio of resources as described in the SNWA Water Resource Plan includes Nevada’s 300,000 acre-foot per year

(“AFY”) Colorado River apportionment and associated return-flow credits; Las Vegas Valley and in-state groundwater; domestic and intentionally created surplus water (intentionally created surplus water is divided into five categories: tributary, imported, system efficiency, extraordinary conservation, and Bi-National); water resources banked in the Las Vegas Valley and the states of Arizona and California; and other current and future supplies.

While the Colorado River Basin continues to experience drought conditions, the SNWA has acquired and is developing new water resources that will be managed in tandem with Colorado River supplies. These resources, paired with expected conservation gains, are designed to enable the SNWA to meet current and projected water demands over the long-term planning horizon, though no assurance can be given that such demands will be met. The SNWA’s Water Resource Plan was updated in 2020 and outlines the SNWA’s approach to meeting demands during declared shortages. Response measures include the use of intentionally created surplus, banked resources, shortage-sharing agreements and heightened conservation measures. The SNWA also continues to work with the other Colorado River Basin states and Mexico to identify and explore options for long-term augmentation of Colorado River resources.

The SNWA is working to implement AB356, adopted by the 2021 Legislature, which restricts the use of Colorado River water to irrigate non-functional turf in non-single family residential applications by 2027. If successfully implemented, the SNWA estimates the removal of 3,900 acres of non-functional turf associated with the legislation could yield up to 29,000 acre-feet of water annually

Washoe County

The primary source of water for Washoe County is the Truckee River, which flows from Lake Tahoe to Pyramid Lake (approximately 120 miles). Underground water and individual private wells augment the river water supply, particularly in the unincorporated areas of Washoe County. The Washoe County water system is susceptible to certain risks posed by flooding, drought, and seismic activity. Certain of these risks may be mitigated by the purchase of insurance, however it is not possible to predict whether insurance coverage will be sufficient to pay off the costs associated with a natural disaster.

Regional planning of water resources in certain portions of Washoe County is the responsibility of the Northern Nevada Water Planning Commission (the “Planning Commission”) and the Western Regional Water Commission (the “Regional Commission”). The Regional Commission is governed by a Board of Trustees comprising representatives of the City of Reno, the City of Sparks, Washoe County, the Truckee Meadows Water Authority (“TMWA”), the Truckee Meadows Water Reclamation Facility, and the Sun Valley General Improvement District. The Planning Commission is comprised of members from Public Works for the City of Reno, Public Works for the City of Sparks, Community Services Department for Washoe County, Truckee Meadows Water Reclamation Facility, Pyramid Lake Paiute Tribe, The Nature Conservancy and Truckee Meadows Flood Management, the General Manager of the Sun Valley General Improvement District, two representatives from TMWA, and various other members.

On April 19, 2017, the Regional Commission adopted the 2016-2035 Comprehensive Regional Water Management Plan (the “Comprehensive Plan”) developed by the Planning Commission for the relevant planning area, covering such matters as supply of municipal and industrial water; quality of water; sanitary sewerage; treatment of sewage; drainage of storm waters, control of floods, the problems and needs of the planning area; the providers of service; alternatives to reduce demand or increase water supply; identifying and providing for existing and future sources of water needed to meet present and future needs; priorities and general location for additional major facilities needed to provide services; programs to mitigate drought, conserve water and otherwise manage water; and other matters related to water supply, planning and conservation. Any facility of “regional significance” associated with water supply, wastewater treatment and stormwater drainage must be recognized in the Comprehensive Plan or presented for review by the Planning Commission and possible amendment to the Comprehensive Plan by approval of the Regional Commission.

TMWA is a joint powers authority formed in November 2000, pursuant to a Cooperative Agreement (which was amended and restated as of February 3, 2010) among the City of Reno, the City of Sparks and Washoe County. TMWA owns and operates a water system and develops, manages and maintains supplies of water for the cities of Reno and Sparks and other surrounding populated areas of Washoe County (except certain areas in the vicinity of Lake Tahoe and other small areas bordering California) over a total of 165 square miles of service area (the “Service

Area”). The Service Area includes approximately 130,000 service connections after a merger with the Washoe County water utility and the South Truckee Meadows General Improvement District in December 2014.

Portions of Washoe County that are not served by TMWA are served either by special districts, private companies and/or private wells. TMWA has developed a Water Resource Plan through 2035 and a Water Facility Plan through 2035 to address the water needs of its Service Area.

Drought conditions have existed within TMWA’s Service Area in the recent past. The Truckee River Operating Agreement (the “TROA”) was implemented in December 2015. The major participants in the TROA are TMWA, the Pyramid Lake Paiute Tribe, the State of Nevada, the State of California, and the United States of America. TROA provides for modified river and reservoir operations that result in multiple benefits for water users, including benefits related to endangered fish species (spawning fish flows), recreation (minimum water levels in reservoirs), and significant additional drought storage for TMWA. Notably, the TROA provides TMWA with the ability to store a significant amount of water in upstream federal reservoirs and federally operated reservoirs in winter months for later use during a drought. The TROA also provides for carryover of unused drought storage in successive drought years such that drought storage can actually increase over years of extended drought. Implementation of the TROA also results in the entry into effect of the interstate allocation of water between Nevada and California as provided in the Truckee-Carson-Pyramid Lake Water Rights Settlement Act, Pub. L. No. 101-618 (Nov. 16, 1990), Title II, 104 Stat. 3289.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

PART II

ATTACHMENT I

SUMMARY OF STATE OF NEVADA PENSION SYSTEMS

The information relating to the retirement systems summarized in this Attachment I is derived from a number of sources, including the respective comprehensive annual financial statements and actuarial valuations referred to herein. A number of these sources make and rely on assumptions and projections which may or may not be realized. No representation is made that such projections or assumptions will be realized. The obligation of the State to the retirement systems, in particular the Public Employees' Retirement System of Nevada ("PERS"), represent significant financial obligations of the State. No assurances are made that the past or present contribution levels applicable to the State will not change. It should be noted that references to the financial condition of PERS and the contribution requirements of its employer members, when referred to in its entirety, refers solely to PERS and not to the State. PERS is a multiple employer system, of which State employees comprise approximately 16.8% of total active employees as of June 30, 2020. The State's responsibility to make contributions is limited to its allocable share attributable to the State employee members, of which the State employees themselves contribute 50% (under the Employee/Employer Contribution Plan). Under the Employer-Pay Contribution Plan the contributions are paid on the employee's behalf by the State, with the employee's 50% share accounted for through salary reduction.

The State Legislature has created three retirement systems to provide benefits to qualified employees and to certain elected officials. The largest retirement system, the Public Employees' Retirement System of Nevada ("PERS"), was created in 1947 to provide retirement, disability and survivor benefits to eligible State employees and to eligible employees of participating local government entities in the State. A second retirement system, the Legislators' Retirement System of Nevada ("LRS"), was created in 1967 to provide pension benefits and death benefits to State legislators. The Judicial Retirement System of Nevada ("JRS") was created in 2001 to provide pension, disability and death benefits to State judges and was amended in 2005 to include judges of local jurisdictions that elect to participate in JRS. Conditions for membership, eligibility for retirement, benefits and employer and employee contributions are set forth in statutes enacted by the State Legislature, and a seven-member Public Employees' Retirement Board appointed by the Governor (the "Retirement Board") administers, and governs investments for, all three systems. Under Article 9 Section 2 of the Nevada Constitution, PERS is created as a trust fund and is prohibited from lending money to the State and from purchasing obligations of the State. Article 9 Section 2 also requires PERS to be governed by the Retirement Board and the Retirement Board to hire an independent actuary and an executive officer. The Nevada Constitution states that the Retirement Board shall adopt actuarial assumptions based upon the recommendations made by the independent actuary it employs.

The independent actuary appointed by the Retirement Board provides annual valuation reports for PERS, LRS, and JRS setting forth the contribution rates required to fund the retirement systems on an actuarial reserve basis. The Retirement Board is required to adopt tables and formulas recommended by the actuary in a valuation report prepared for each even-numbered year. For PERS, contribution rates are determined based upon actuarially determined rates but as described below are adjusted every other year, and then only if the increases or decreases recommended by the actuary exceed the percentages set forth in Nevada statutes, as described herein in "PERS Contribution Rates." Pursuant to statute, the total contributions for LRS and JRS are also based upon the amounts determined by the actuary. Depending upon the assumptions used in calculating rates, actuarial and statutory contribution rates may differ from rates calculated for purposes of financial disclosure set by the Governmental Accounting Standards Board ("GASB"). Currently, the independent actuary for each of the three systems is Segal Consulting, San Francisco, California.

All three retirement systems are defined-benefit plans in which member benefits are specified in advance and are payable from assets, including investment income, set aside in the retirement fund. Unlike a defined contribution plan, where the employer's liability is limited to making its specified contribution and the employee takes the risk that the contributions and investment income thereon will generate sufficient retirement income, in a defined benefit plan the employers take the risk that contributions and investment income will be sufficient to pay the promised benefits in the future. Employers are not liable directly for the obligations of the retirement systems, but the employers' and employees' contribution rates may increase if assets are not sufficient to pay promised benefits.

The assets and liabilities of PERS, LRS and JRS are included in the financial statements of the State as fiduciary funds. A summary description of PERS, LRS and JRS is set forth in Note 10 to the 2020 State ACFR included in this Official Statement as Appendix A to this Part II, and the State's proportionate share of PERS and JRS net pension liability is set forth in the 2020 State ACFR under the heading "Pension Plan Information." LRS is a single employer plan for which the State has 100% funding responsibility.

PERS. PERS is a defined benefit, cost-sharing, multiple-employer retirement system and is funded from contributions from members and participating employers and from investment income deposited or transferred to the Public Employees' Retirement Fund (the "PERS Retirement Fund"). The PERS Retirement Fund comprises two subfunds. The Regular subfund was established to provide retirement, disability and survivor benefits for public employees other than police officers and firefighters. The Police/Fire subfund was established to segregate accounting for retirement and survivor benefits related to members who are police officers or firefighters. Assets accounted for in one subfund, however, may be used to pay benefits accounted for in the other subfund.

PERS is governed by NRS Chapter 286 (the "Public Employees' Retirement Act"), which provides that with some exceptions all public employers must participate in PERS and that all employees must participate if the employee serves in an eligible position. As of June 30, 2020, PERS includes 111,815 active members, of whom 98,228 are Regular employees and 13,587 are Police/Fire employees; 17,398 vested inactive members; and 72,741 retirees and beneficiaries, of whom 63,376 are Regular retirees, survivors or disability recipients and 9,365 are Police/Fire retirees, survivors or disability recipients. Retirement benefits include cost-of-living increases that can range from 2% per year to 5% per year (up to 4% for employees first hired on or after January 1, 2010, up to 3% for employees first hired on or after July 1, 2015), depending upon increases in the Consumer Price Index. Employers that participate in PERS as of June 30, 2020 include the State, 23 State-related boards and agencies and 192 local governments and related districts and agencies. The Board of Regents of the University of Nevada, a component unit of the State, provides a separate retirement program for its professional staff.

Measured by the number of covered employees, the State was the second-largest PERS employer as of June 30, 2020, representing approximately 16.8% of the current active employees covered by PERS.

Benefits. Benefits, as required by the State 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 PERS 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 at 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% multiplier and for regular members entering the System on or after July 1, 2015, there is a 2.25% multiplier. PERS 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.

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with ten years of service, or any age with thirty years of service. Regular members entering the System on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, or age 62 with ten years of service, or age 55 with thirty years of service and at any age with thirty-three and a third years of service. Police/Fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/Fire members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Only service performed in a position as a police officer or firefighter may be counted towards eligibility for retirement as Police/Fire accredited service.

The normal ceiling limitation on monthly benefit 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. Both Regular and Police/Fire members become fully vested as to benefits upon completion of five years of service.

Additionally, there are statutory limits on the eligible compensation used to determine the retirement benefit of a member of the System. For membership prior to July 1, 1996, the limitation is \$425,000 for 2020 as provided by section 401(a)(17) of the Internal Revenue Code (26 U.S.C. § 401(a)(17)), as that section existed on July 1, 1993. For System membership on or after July 1, 1996, and before July 1, 2015, the limitation is \$285,000 for 2020 as provided by section 401(a)(17) of the Internal Revenue Code (26 U.S.C. § 401(a)(17)), as that section existed on July 1, 1996. For System membership on or after July 1, 2015, the limitation is the lesser of:

(a) The \$285,000 limitation for 2020 as provided by section 401(a)(17) of the Internal Revenue Code (26 U.S.C. § 401(a)(17)), as that section existed on July 1, 2015; or

(b) \$211,970 for 2020. The \$211,970 limitation will be adjusted by the Board every year by an amount equal to the average percentage increase in the Consumer Price Index (All Items) for the immediately preceding 3-year period.

PERS Funding. PERS is funded with a combination of investment income and contributions from employees and employers. The State is one of many employer participants in PERS and has funding responsibilities relating to State employee participants only. Upon becoming a member, most State employees and some local government employees choose either an employer-pay plan or an employee/employer-pay plan. Under the employer-pay provisions, which can be revised by the State Legislature for new employees, the employer pays the entire contribution on behalf of the employees. Contributions made by the employer on behalf of the employee are not credited to the member’s account and are not refunded upon termination. Although the employer-pay plan does not require a direct employee payment, the employee does share in the cost either through a direct reduction to salary or through reductions in pay increases equivalent to one-half of the contribution rate. Under employee/employer pay provisions, each employee pays half of the required contribution on an after-tax basis (calculated as a percentage of the employee’s covered salary) and the amounts contributed by the employee are credited to the employee’s account and may be refunded to the employee upon termination, with the result that employee/employer contribution rates are higher than they would be if there were no guaranteed return. As of June 30, 2020, 21.4% of Regular employees and 12.7% Police/Fire employees are covered under this employee/employer pay program. See “PERS Contribution Rates” below.

The State’s contribution to PERS (relating to the State’s employee members) for FY 2016 through FY 2020 are set forth in the Table below.

**STATE CONTRIBUTIONS TO PERS
FISCAL YEARS ENDING JUNE 30**

<i>Year</i>	<i>Contribution</i>
2016	\$190,528,000
2017	151,491,716
2018	153,762,408
2019	161,627,368
2020	176,299,827

PERS Actuarial Valuations, Reports and Methods. The Public Employees’ Retirement Act requires the Retirement Board to arrange for actuarial valuations every two years and, subject to certain limitations described below, requires contribution rates to be adjusted as of July 1 of every odd-numbered year, based in part upon the valuation report for the preceding even-numbered year. In practice, however, the Board requests that actuarial valuations be prepared annually for PERS and that reports reviewing PERS’ actual experience be prepared every four to six years. Experience reports are used to evaluate how realistic the long-term assumptions have been and may be in the future. The most recent valuation report for PERS was prepared as of June 30, 2020 (the “2020 PERS Valuation Report”), and the most recent Actuarial Experience Study, based on experience from July 1, 2016 through June 30,

2020, was recently prepared and adopted by the Board in September of 2021 (the “2021 Experience Study”). Per policy, the Board conducts experience studies every four to six years.

The 2020 PERS Valuation Report was used to determine the contribution rates for the 2021-2023 biennium. The 2020 PERS Valuation Report is the most recent assessment of PERS actuarial assets and liabilities and funding status, and along with the GASB Statement No. 67 Actuarial Valuation as of June 30, 2020, was the basis for PERS audited financial statements for FY 2020. The actuarial information included in the PERS 2020 CAFR is based upon the PERS valuations as of June 30, 2020. Subsequent to the foregoing, a GASB Statement No. 68 Schedule of Employer Allocations, Schedule of Pension Amounts by Employer and Related Notes was completed. This report applies revised accounting rules intended to provide useful information, support assessments of accountability and create additional transparency for PERS participating employers. The GASB Statement No. 68 identifies the State’s employer allocation percentage of PERS liabilities with respect to total liabilities. As of June 30, 2020, the State’s employer allocation percentage was 16.9% of the net pension liability of PERS.

A primary purpose of the valuation report is to determine the health of PERS and the contribution rates that will be required in the future. Valuations are based upon historical and current information provided by PERS staff and the methods and assumptions recommended by the actuary and adopted by the Retirement Board. The actuary recommended and the Retirement Board adopted the use of the Entry Age Normal Cost method as the funding method of calculating contribution rates. Under this method, the total actuarially determined contribution rates consist of (i) the “normal cost,” (ii) an administrative expense allowance and (iii) the amount required to amortize PERS’ UAAL over the period established by the Retirement Board for amortizing the UAAL. Normal cost is the cost of the accumulation of one year’s benefit for each member or the present value of current year’s future benefits. “Entry age” refers to the member’s age at the time the member commenced employment. Administrative expense (currently 0.15% of covered payroll; for FY 2021, a 0.20% assumption will be used – see below regarding 2021 Experience Study) is the assumed cost of administering PERS.

The use of appropriate assumptions is important in maintaining adequate funding. To ensure the assumptions remain appropriate, the Retirement Board conducts an experience study, through its independent actuary, at least every four to six years. In September 2021, Segal Consulting performed an experience study to review the economic and demographic actuarial assumptions during the four-year period from July 1, 2016 through June 30, 2020. Based on trends in the data, the actuary recommended modifications to certain actuarial assumptions which the Board adopted at their September 16, 2021 meeting. These assumptions will be utilized in preparing the actuarial valuation for June 30, 2021.

Changes adopted from the 2021 Experience Study to economic assumptions include reductions in the assumed investment rate of return to 7.25% from 7.50%, the inflation rate to 2.50% from 2.75%, and the active member payroll growth to 3.50% from 5.50% for Regular members and to 3.50% from 6.50% for Police/Fire members. Other assumptions that were modified in the 2021 Experience Study include the following: individual salary increases, administrative expenses, retirement rates, mortality rates, termination rates and disability incidence rates. The impact of these assumption changes will be included in the actuarial valuation for June 30, 2021. It is expected to be completed and presented to the Board at its meeting on November 18, 2021. These assumption changes could increase the PERS UAAL; the State does not anticipate supplementing the Official Statement upon release of the actuarial valuation for June 30, 2021.

In addition to the experience studies that are conducted every four to six years, the Board conducts a second opinion review at least once every ten years to determine, among other things, whether the underlying actuarial assumptions are reasonable. The Board recently hired a second actuary to conduct a second opinion review, which took place in late 2018.

Actuarial Assets and Liabilities; Investment Return Assumptions and Calculations. In addition to the normal cost and administrative expense components described above, the third component of the contribution rate is the amount required to amortize the UAAL, the difference between the actuarial accrued liability (the “AAL”) and the actuarial value of assets. The total AAL under the Entry Age Normal Cost Method represents the amount that would have been accumulated as of the valuation date if contributions sufficient to meet the normal costs had been made each year in the past, net of accumulated past benefit payments. The UAAL is the amount obtained by subtracting valuation assets from total actuarial accrued liability. PERS amortizes each year’s change in the UAAL

as a level percent of payroll over a year-by-year closed amortization period where each amortization period is set at 20 years. From 2004 to 2011, the amortization period for each new layer was 30 years. Effective with FY 2012, any new layer was amortized over a period equal to the truncated average remaining amortization period of all prior UAAL layers, until the average remaining amortization period was less than 20 years; after that time the 20-year amortization period was to be used. That occurred in FY 2015, and since that time all new layers are amortized over 20 years. The effective blended amortization period as of June 30, 2020 is 15.9 years. The economic assumptions and actuarial methods used in these calculations are summarized below in Table 1A.

In calculating the actuarial value of assets, contributions for the past year are added to the actuarial value of assets at the end of the prior year; benefits and expenses are subtracted; the assumed rate of return is added; and then a portion of market value gains and losses are added or subtracted. Actual market returns are taken into account, but to reduce rate volatility, actual market gains and losses are spread or “smoothed” over a five-year period. Such smoothing is further limited by a “corridor” so that the actuarial value for one year will not be more than 130% or less than 70% of the value in the previous year.

The assumed investment rate of return on the actuarial value of PERS assets is based in part upon an assumed, long-term rate of inflation. Actual returns on the actuarial value of assets vary year by year, however, and also vary when compared to the return on the market value of PERS assets. The return on the actuarial value of PERS assets (on a “smoothed” basis) for FY 2020 was 7.52% and for FY 2019 was 7.03%. As a result, PERS experienced an investment gain on an actuarial value basis of approximately \$5 million for Regular employees and \$3 million for Police/Fire employees as compared to an investment loss of \$151 million for Regular employees and \$41 million for Police/Fire employees in FY 2019. The return on the market value of PERS assets, however, was 7.2 % in FY 2020. The June 30, 2020 unrecognized investment gains of-\$563 million or 1.2% of PERS’ market value of assets. By comparison, the unrecognized investment gain as of June 30, 2019 was \$675 million or 1.5% of the market value of assets. In the 2020 PERS Valuation Report the ratio of the actuarial value of PERS assets to the market value of PERS assets is 98.-79% for Regular members and 98.81% for Police/fire members (compared to 98.47% for Regular members and 99.48% for Police/fire members at June 30, 2019). The actuary also calculated that if 2020 deferred gains were recognized immediately instead of being smoothed over five years, PERS’ actuarial funded percentage described below would increase from 75.7 % to 76.6% for Regular members and increase from 77.5% to 78.4% for Police/Fire members and that actuarially determined contribution rates would decrease. PERS’ average annualized investment return on a market value basis for the five and 10 years ended June 30, 2021 is 12.4% and 10.0% respectively, including the unaudited return for FY 2021 of 27.3%.

PERS experienced an overall experience loss in 2020 of \$145 million, \$135 million in the Regular fund and \$10 million in the Police/Fire fund.

PERS Contribution Rates. The following tables summarize the covered payroll, statutory contribution rates and actuarially determined contribution rates for 2019-2021 and 2021-2023, and some of the primary economic assumptions and actuarial methods upon which these calculations are based. Legislation was enacted in 2009 modifying benefits for members first hired on or after January 1, 2010. Legislation was enacted in 2015 modifying benefits for members first hired on or after July 1, 2015. The level of contributions that will be required in the future will depend on a variety of other factors, including future investment portfolio performance, actuarial assumptions, payroll growth, and additional potential changes in retirement benefits. There can be no assurances that the required annual contribution to PERS will not continue to increase, despite the statutory changes to benefits for members hired on or after January 1, 2010 and on or after July 1, 2015.

The Public Employees’ Retirement Act requires an adjustment in the statutory contribution rates on July 1 of each odd-numbered year based on the actuarially determined rates indicated in the actuarial valuation report for the immediately preceding year. Rates are only adjusted upward if the new rates are more than 0.50% higher than the existing rate for employer-pay and more than 0.25% higher for employee/employer. Rates are only adjusted downward if the new rates are more than 2.00% lower than the existing rate for employer-pay (and adjusted only by the amount in excess of 2.00%) and more than 1.00% lower than the existing rate for employee/employer (and adjusted only by the amount in excess of 1.00%). Rates are rounded to the nearest 0.25% of payroll. The 2020 valuation determined whether a change to the contribution rates was required for the 2021-2023 biennium in accordance with the statutory contribution rate change mechanism described above. Pursuant to the statutory contribution rate

mechanism, contribution rates increased for the 2021-2023 biennium for both the Regular fund and the Police/Fire fund as summarized below in Table 2A.

Table 1A
PERS 2020 Economic Assumptions and Actuarial Methods

Inflation	2.75% per year
Investment Return	7.50% per year, assuming inflation at 2.50% per year
Salary Increases	Assumed annual salary increases include inflation 2.75% per year and range from 9.15% for Regular employees with less than one year of service to 4.25% for Regular employees with 15 or more years of service and from 13.90% for Police/Fire employees with less than one year of service to 4.55% for employees with 15 or more years of service. For members hired after January 1, 2010, the maximum increase in compensation that can be taken into account in calculating benefits is 10% per year (unless promoted or assignment related).
Rate Payroll	The payroll for the coming year is based on actual annualized payroll for the actives as of the valuation date and projected by the salary scale. Payroll Growth Funding 5.5% per year for Regular employees and 6.5% for Police/Fire employees (assuming inflation at 2.75% per year). For GASB disclosure, this rate is 5% for Regular employees and for Police/Fire employees.
Post-retirement Benefit Increases	For current retirees and beneficiaries, future Post-Retirement Benefit Increases reflect actual changes in historical CPI and are assumed to follow the formulas described below. For future retirees, those hired prior to 2010 are assumed to reach the cap after 16 years of retirement. Those hired on or after January 1, 2010 and before July 1, 2015 are assumed to reach the cap after 16 years of retirement. Those hired after July 1, 2015 are assumed to never receive an increase above 2.75%. Underlying all of these assumptions is that CPI will grow over time at a rate of 2.75% per year.

For members with an effective date of membership before January 1, 2010:

The lesser of:

(a) 2% per year following the third anniversary of the commencement of benefits, 3% per year following the sixth anniversary, 3.5% per year following the ninth anniversary, 4% per year following the twelfth anniversary and 5% per year following the fourteenth anniversary, or

(b) The annual benefit increase is equal to the average percentage increase in the Consumer Price Index (or other Board approved index) for the three preceding years.

In any event, a member's benefit must be increased by the percentages in paragraph (a) if the benefit of a member has not been increased at a rate greater than or equal to the average of the Consumer Price Index (All Items) (or other Board approved index) for the period between retirement and the date of increase.

For members with an effective date of membership on or after January 1, 2010:

Same as above, except the increases do not exceed 4% per year.

For members with an effective date of membership on or after July 1, 2015:

(a) 2% per year following the third anniversary of the commencement of benefits, 2.5% per year following the sixth anniversary, the lesser of

3% of the CPI for the preceding calendar year following the ninth anniversary.

Asset Valuation Method	The total of the prior year’s actuarial value of assets, plus contributions, less benefit payments and expenses, an adjustment for net transfers, plus expected investment return and 20% of each of the previous five years’ gain or loss due to investment return greater or less than expected, further limited to not less than 70% (80% before 2009) or greater than 130% (120% before 2009) of the market value of assets.
Actuarial Funding Method	Entry Age Normal Cost Method assuming the current benefit accrual rate had always been in effect.
Amortization of the UAAL	The UAAL is amortized over a year-by-year closed amortization period, where each amortization period for each year is set at a period of the truncated average remaining period of all prior amortization layers until the average remaining period is less than 20 years. In FY 2015 the average remaining period fell to less than 20 years such that the remaining amortization periods since then have been 20 years. For GASB disclosure purposes, however, the UAAL is amortized over an open (non-declining) amortization period of 30 years

Source: State of Nevada, compiled from the 2020 PERS Valuation Report.

Table 2A
PERS Contribution Rates - - 2019-2021 and 2021-23

Contribution Rates	Regular Employees	Police/Fire Employees
(as a percentage of payroll)		
<u>Employer-Pay Actuarial Rate</u>⁽¹⁾		
Normal Cost	15.77%	25.86%
Amortization Percentage	13.92	17.92
Administrative Expenses	0.15	0.15
Employer-Pay Total Rate ⁽²⁾	29.84	43.93
-	-	-
Employer-Pay 2019-21 Statutory Rate ⁽³⁾	29.25	42.50
Employer-Pay 2021-23 Statutory Rate ⁽⁴⁾	29.75	44.00
<u>Employee/Employer Pay Actuarial Rate</u>⁽¹⁾		
Normal Cost	17.14	27.35
Amortization Percentage	13.92	17.92
Administrative Expenses	0.15	0.15
Employee/Employer Total Rate ⁽⁵⁾	31.21	45.42
-	-	-
Employee/Employer 2019-21 Statutory Rate ⁽³⁾	30.50	44.00
Employee/Employer 2021-23 Statutory Rate ⁽⁴⁾	31.00	45.50

(1) These actuarial rates are based upon the 2020 PERS Valuation Report as of June 30, 2020.

(2) The 2020 actuarial employer-pay contribution rate would have been 29.40% for regular employees and 43.34% for police/fire employees if the deferred investment gains had not been smoothed over five years.

(3) These statutory rates apply for July 1, 2019 through June 30, 2021. Statutory rates are rounded to the nearest 0.25% and are adjusted only if the increase or decrease exceeds the percentage set forth in the Public Employees’ Retirement Act

(4) These statutory rates apply for July 1, 2021 through June 30, 2023.

- (5) One half of this rate is paid by the employee. The actuarial employee/employer pay contribution rate would have been 30.77% for regular employees and 44.83% for police/fire employees if the deferred investment losses had not been smoothed over five years.

Source: State of Nevada, compiled from the 2019 and 2020 PERS Valuation Reports.

Information about the actuarial value of assets, AAL, UAAL, funded ratio, annual covered payroll, UAAL as a percentage of annual covered payroll, contributions and funding for PERS as a whole, derived from PERS' comprehensive annual financial report for FY 2020 (the "2020 PERS Financial Report") and from the 2020 PERS Valuation Report, is summarized in Tables 3A and 4A. The ratio of UAAL to covered payroll is a measure of the significance of the UAAL relative to the capacity to pay it. The trend in the ratio provides information as to whether the financial strength of the pension plan is improving or deteriorating over time. The financial strength of a pension plan is generally improving if the ratio of UAAL to covered payroll is decreasing. The actuary notes in the 2020 PERS Valuation Report that using the methods, assumptions and results of the June 30, 2020 valuation, payments required to amortize the UAAL represent 13.92% of projected payroll for Regular employees and 17.92% of projected payroll for Police/fire employees and that the average length of payment of the entire UAAL will be approximately 16.0 years for Regular employees and 15.5 years for Police/fire employees.

PERS notes in the 2020 PERS Financial Report that in addition to changes in benefits and actuarial methods and assumptions, trends such as those shown in the tables below are affected by investment experience (favorable and unfavorable), salary experience, payroll growth, changes in demographic characteristics and employees and retirement experience, among other factors. Recent experience in overall payroll growth and active membership has impacted both the actuarial contribution rates and the UAAL. Less than expected payroll growth since 2009 has negatively affected the amount of contributions collected as the contributions are collected as a percentage of payroll. Although the payroll growth and inflation assumptions were reduced beginning in the 2017 valuation report, this may continue to impact contribution rates and the UAAL. PERS and the actuary note that the number of active employees increased in 2020 in both the Regular and the Police/Fire fund. From 2011 to 2020, the ratio of active PERS Regular members to retirees decreased from 2.4 to 1.7 and that the ratio of active PERS Police/Fire members to retirees decreased from 2.3 to 1.7 during the same period. In FY 2020, the number of PERS benefit recipients (excluding survivors and beneficiaries) increased 3.8% from FY 2019.

Table 3A
PERS Schedule of Funding Progress⁽¹⁾
2016 to 2020
(in millions)

Actuarial Valuation Date June 30	Actuarial Value of Assets (AVA)	Market Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Ratio of AVA to AAL	Annual Covered Payroll	UAAL as a % of Annual Covered Payroll
2016	35,896.2	35,002.0	48,459.2	12,562.9	74.1	5,346.3	235.0
2017	38,719.3	38,686.3	51,986.1	13,266.8	74.5	5,542.2	239.4
2018	41,342.4	41,420.0	55,069.4	13,727.1	75.1	5,830.4	235.4
2019	43,609.0	44,284.3	57,920.2	14,311.2	75.3	6,038.6	237.0
2020	46,171.7	46,735.1	60,663.5	14,491.8	76.1	6,276.8	230.9

(1) Table reflects the entire PERS, of which the State is a participant.

Source: State of Nevada, compiled from the 2020 PERS Financial Report and 2020 PERS Valuation Report.

Table 4A is derived from the Schedule of Employer Contributions included in the 2020 PERS Financial Report. Due to the implementation of GASB Statement No. 67 in FY 2014, the Schedule of Employer Contributions includes different information from previous schedules of the same name. The current Schedule of Employer Contributions was first developed in 2014 and includes information for prior years. The schedule no longer includes the concept of the annual required contribution but rather includes the actuarially determined contribution and contributions in relation to the actuarially required contributions.

The contributions in relation to the actuarially determined contributions can be greater or less than the actuarially determined contributions due to the fact that the actuarially determined contributions are set annually pursuant to the annual actuarial valuation, and as described above the contribution rates (stated as a percentage of payroll) are set biennially. In addition, actual salary increases and payroll growth has been less than the actuarial assumed rates. Since actual contributions are based on payroll, lower than expected growth in salary increases and payroll growth will contribute to actual contributions being lower than the actuarially required contribution. Table 4A reflects all PERS, of which the State is a participant.

Table 4A
PERS Schedule of Employer Contributions
2016 to 2020
(in millions)

Year Ended June 30 ⁽³⁾	Actuarially Determined Contribution	Contribution in Relation to the Actuarially Determined Contributions ⁽¹⁾	Contribution Deficiency (Excess)	Covered Employee Payroll ⁽²⁾	Contributions as a Percentage of Covered Employee Payroll
-	-	-	-	-	-
2016	888.6	849.8	38.8	5,921.6	14.4
2017	912.6	901.7	10.9	6,081.1	14.8
2018	939.7	930.3	9.4	6,237.2	14.9
2019	981.8	965.5	16.3	6,508.9	14.8
2020	1,078.2	1,045.1	33.1	6,786.9	15.4

⁽¹⁾ Includes employer contributions towards administrative expenses.

⁽²⁾ Measurement as of beginning of year.

⁽³⁾ 2016 values are restated due to GASB No. 82, which classifies contributions as member contributions for the purposes of GASB No. 67 if they are made by an employer to satisfy what are actually deemed to be member contribution requirements.

Source: 2020 PERS Financial Report.

All contributions shown in Table 4A reflect employer-paid contributions only. Member contributions are excluded. Actuarially Determined Contributions in Table 4A are based on actuarially determined contribution rates (employer portion only) from most recent rate-setting year prior to year shown, applied to covered payroll for year shown.

Pursuant to GASB Statement No. 67, the System provided information on the Net Pension Liability in the 2019 PERS Financial Report. The components of the Net Pension Liability at June 30, 2020 were as follows:

Total Pension Liability	\$60,663,454,082
Plan Fiduciary Net Position	<u>(46,735,117,356)</u>
Net Pension Liability	<u>\$13,928,336,726</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	77.0%

The discount rate used to measure the Total Pension Liability was 7.50% as of June 30, 2020. The projection of cash flows used to determine the discount rate assume 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 benefits for all plan members and their beneficiaries are included, except that 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, 2020.

The 2020 PERS Financial Report also contains the sensitivity of the net pension liability to changes in the discount rate pursuant to GASB Statement No. 67. The following presents the Net Pension Liability using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.5%) or 1% higher (8.5%) than the current rate.

<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
\$21,722,824,038	\$13,928,336,726	\$7,447,799,867

LRS. All State Legislators, unless they have elected not to participate, are members of LRS, which is a defined benefit, single-employer public employees’ retirement system administered by the same Retirement Board that administers PERS. LRS was established by the State Legislature in 1967. The State (in this case, the State Legislature) is the only LRS employer and is required to make all of the statutorily required employer contributions. LRS benefits are established by the Legislators Retirement Law (the “LRS Act”), which provides expressly that the Retirement Board may not change the actuarial assumptions used in computing the benefits provided to a member of LRS and that the employer contributions will be the amounts actuarially determined to be sufficient to fund LRS. The 2020 State ACFR, in Note 10, under the heading “Financial Section – Required Supplementary Information – Pension Plan Information” and under the heading “Financial Section – Fiduciary Funds,” includes a description of the actuarial methods and significant assumptions used in actuarial valuations of LRS, the changes in the net pension liability and the State’s contribution to LRS. The most recent valuation report for LRS (the “2020 LRS Valuation Report”) is the Valuation and Review dated June 30, 2020.

As of July 1, 2020, LRS had 32 active legislators, 11 inactive members entitled to future benefits, 73 retirees and beneficiaries and 32 inactive non-vested members. LRS had a total net position (at market value) of \$4,694,337 as of June 30, 2020 (compared to \$4,703,170 as of June 30, 2019), and as of June 30, 2020, the actuarial value of LRS assets was \$4,660,653 (compared to \$4,644,056 as of June 30, 2019) and reflected in Appendix A to this Part II. LRS actuarial value of assets as of June 30, 2020 was 99.28% of market value. As of June 30, 2020, LRS was 95.9% funded on an actuarial basis compared to 95.8% funded as of July 1, 2019. The unfunded actuarial accrued liability was \$199,433 as of June 30, 2020 as compared to \$201,528 as of July 1, 2019. The State’s annual contribution to LRS was \$97,935 in FY 2020. The annual contribution calculated as of June 30, 2018 for the 2017-2019 biennium required to meet the normal cost of LRS and to amortize LRS’ UAAL over 20 years from July 1, 2017 is \$97,935. Legislation was enacted in 2015 modifying benefits for members with an effective date of membership on or after July 1, 2015.

For the year ended June 30, 2014, the Retirement Board adopted Governmental Accounting Standards Board (GASB) Statement No. 67, Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25. This GASB replaces the requirement of GASB 25 and 50 as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria.

Prior to these new standards, the accounting and reporting requirements of the pension related liabilities followed a long-term funding policy perspective. The new standards separate the accounting and reporting requirements from the funding decisions and require the unfunded portion of the pension liability to be apportioned among the participating employers. These standards apply for financial reporting purposes only and do not apply to contribution amounts for pension funding purposes.

With the implementation of GASB Statement No. 67, the LRS reported the Net Pension Liability, Total Pension Liability, and Fiduciary Net Position beginning with the FY 2014. The components of the Net Pension Liability of the LRS at June 30, 2020, were as follows:

Total pension liability	\$ 4,841,509
Plan fiduciary net position	<u>(4,694,337)</u>
Net pension liability	\$ 147,172
 Plan fiduciary net position as a percentage of the total pension liability	 97.0%

JRS. JRS was created in 2001 for State judges elected or appointed after November 2002 and for those who were elected or appointed earlier and chose to withdraw from PERS. In 2005, JRS was amended to allow justices of the peace and municipal judges to participate if their jurisdiction opts to allow participation. JRS is an agent multiple-employer, defined benefit pension system that provides retirement, disability and death benefits. For all members with an effective date of membership prior to July 1, 2015, the JRS is an employer-paid plan, and active members are not required to make contributions. Legislation was enacted in 2015 modifying benefits for members first hired on or after July 1, 2015, including requiring those members to pay a portion of the contribution rate through payroll deduction.

As of June 30, 2020, the date as of the most recent annual valuation report (the “2020 JRS Valuation Report”), the State and 11 local jurisdictions participate in JRS. As of June 30, 2020, JRS has 112 active members (of whom 92 are State judges), 2 vested, inactive members (none of whom are attributed to the State), 62 retirees (of whom 47 are State judges) and 20 beneficiaries (of whom 16 are attributed to the State).

Like PERS and LRS, JRS is administered by the Retirement Board, and JRS assets are invested identically with the assets of the LRS. Unlike PERS, however, the UAAL and UAAL amortization periods for State judges are calculated differently than for non-State judges, and the actuary calculates State and non-State employer contributions separately. In general, the State portion of JRS expected payroll as of June 30, 2020 (approximately \$20.6 million) is 85% (approximately \$17.5 million).

As of June 30, 2019, JRS as a whole had market value of assets of \$142,785,674, an actuarial value of \$142,684,277, an accrued actuarial liability of \$151,123,867 and a UAAL of \$8,439,590. The return on market value of assets for FY 2020 was 6.28% compared to 7.64% for the preceding year. Like PERS, JRS smooths investment returns over a five year period. The smoothing process resulted in an actuarial return of 7.13% in FY 2020. Taking into account market gains and losses from earlier years, the JRS Fund as a whole experienced an investment loss on an actuarial value basis of approximately \$0.5 million in FY 2020. The total net investment gain not yet recognized as of June 30, 2020 is approximately \$.1 million. The ratio of actuarial value of assets to the market value of assets is 99.93% as of June 30, 2020. The actuary noted in the 2020 JRS Valuation Report that if the deferred gains were recognized immediately in the actuarial value of JRS assets, the JRS funded percentage as a whole at June 30, 2020 would increase from 91.4% to 91.5% and that the contribution requirement for the State judges would decrease from 29.94% of State covered payroll to 29.92% of the State covered payroll.

As of June 30, 2020, the State portion of JRS had assets at market value of \$114,742,974, an actuarial value of \$114,661,491, an accrued actuarial liability of \$127,070,766 and an unfunded actuarial accrued liability of \$12,409,275. Annual payments required to fund the State’s normal costs and administrative expenses (approximately \$3,932,847 or 22.41% of covered payroll) and to amortize the State portion of the unfunded actuarial accrued liability (approximately \$1.3 million or 7.53% of covered payroll) are calculated to be a total of \$5.3 million or 29.9% of the State’s 2020 expected JRS payroll of approximately \$17.5 million.

The State’s contribution to JRS was \$5,227,000 in FY 2016, \$5,261,970 in FY 2017, \$4,788,927 in FY 2018, \$4,743,909 in FY 2019, and \$4,776,295 in FY 2020. See the 2020 State ACFR, Note 10, Required Supplementary Information – Pension Plan Information and Fiduciary Funds Combining Statements for additional information on JRS, including a description of the actuarial methods and significant assumptions used in the June 30, 2019 actuarial valuation of JRS, the net pension liability and the State’s contributions as of June 30, 2020.

For the year ended June 30, 2014, the Retirement Board adopted Governmental Accounting Standards Board (GASB) Statement No. 67, Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25. This GASB replaces the requirement of GASB Statement No. 25 and 50 as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria.

Prior to these new standards, the accounting and reporting requirements of the pension related liabilities followed a long-term funding policy perspective. The new standards separate the accounting and reporting requirements from the funding decisions and require the unfunded portion of the pension liability to be apportioned among the participating employers. These standards apply for financial reporting purposes only and do not apply to contribution amounts for pension funding purposes. As of June 30, 2020, the Total Pension Liability for JRS as a whole was \$151,559,874 and the Plan Fiduciary Net Position was \$141,341,677.

[THIS PAGE INTENTIONALLY LEFT BLANK]

PART II

ATTACHMENT II

SUMMARY OF STATE OF NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM

General. The State of Nevada's group health insurance program was created in 1963. In 1983, the State Legislature established a group health plan to provide certain benefits (described below) to plan participants and established the Self Insurance Trust Fund to pay for such benefits. In 1999, the group health plan was renamed the State of Nevada Public Employees' Benefits Program ("PEBP"). The Public Employees' Benefits Program Board (the "PEBP Board") is composed of ten members, including the Director of the Governor's Finance Office (or his/her designee) and nine members appointed by the Governor and administers PEBP.

Benefits and Eligibility. PEBP administers a variety of multiple-employer, cost-sharing defined benefit programs providing benefits other than pensions to employees and retirees of participating State agencies and participating local government agencies. PEBP offers medical, dental, vision, mental health and substance abuse benefits through (i) self-insured consumer driven preferred provider organization high deductible health plan ("CDHP"), an exclusive provider organization plan ("EPO Plan"), both of which PEBP assumes all risk and responsibility for paying the claims by participants in the CDHP and EPO Plans, (ii) Health Maintenance Organization ("HMO Plan") that is fully insured by an outside insurance carrier and for which PEBP is responsible for paying the insurance premiums, and (iii) for retirees and dependents who are eligible for Medicare Parts A and B, an Individual Market Medicare Exchange ("Exchange") that offers medical, vision and dental products that are fully insured by outside insurance carriers, paid for by the insured and partially subsidized by PEBP. Approximately 52% of PEBP participants participate in the CDHP, 10% participate in the EPO plan, 9% participate in the HMO plan and 29% participate in the Exchange. PEBP also offers long-term disability and life insurance benefits as well as an array of voluntary benefits fully insured by outside carriers. Nevada statutes provide that no officer, employee or retiree of the State has any inherent right to the benefits provided by PEBP, and coverage and benefits are subject to change. For example, to address state-wide budget concerns, the 2009 and 2011 Legislatures made several changes to retirement and health benefits for public employees and retirees to satisfy subsidy targets. See "—Contributions" below.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

Every State officer and employee, certain professional employees of the Nevada System of Higher Education, every member of the State Legislature and the officers and employees of local governmental agencies contracting with PEBP to provide such benefits to its employees and officers (a “participating local government agency”) are eligible to participate in PEBP. State and participating local government agency retirees, as well as their eligible dependents and survivors, are eligible to enroll in PEBP upon their retirement, subject to the satisfaction certain eligibility requirements set forth in the Nevada statutes. Certain retirees from non-participating local government agencies, as well as their eligible dependents and survivors, are eligible to continue participation in the PEBP as long as they enrolled prior to November 1, 2008 and have been continuously covered by the PEBP since that date. As of June 30, 2021, the State, the Nevada System of Higher Education and 128 local government agencies are billed for retiree subsidies. Primary insured (“Participant”) enrollment as of June 1, 2021 is shown in Table 2A below. The figures below do not include approximately 27,677 dependent spouses, domestic partners and children.

**Table 2A
Enrollment as of June 1, 2021**

	PPO	EPO	HMO	Exchange	Total
State					
Employees	19,067	3,826	3,335	0	26,228
Retirees-Non Medicare	2,662	508	242	0	3,412
Retirees-Medicare	599	77	43	7,817	8,536
Total Retirees	3,261	585	285	7,817	11,948
Total	22,328	4,411	3,620	7,817	38,176
Local Government					
Employees	4	4	0	0	8
Retirees-Non Medicare	218	56	92	0	366
Retirees-Medicare	266	53	102	5,009	5,430
Total Retirees	484	109	194	5,009	5,796
Total	568	140	221	5,009	5,804
Total					
Employees	19,071	3,830	3,335	0	26,236
Retirees-Non Medicare	2,880	564	334	0	3,778
Retirees-Medicare	865	130	145	12,826	13,966
Total Retirees	3,745	694	479	12,826	17,744
Total	22,816	4,524	3,814	12,826	43,980

Source: State of Nevada, Public Employees’ Benefits Program.

Contributions. PEBP is funded through a combination of contributions from employers, employees and retirees. The Nevada statutes require the PEBP Board to determine for each plan year the rates and coverage for plan participants based on actuarial reports. The PEBP Board establishes claims liability based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and of claims that have been incurred but not reported. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability and damages awards, the process used in computing claims and liabilities does not necessarily result in an exact amount. Upon consultation with an actuary, claims liabilities are computed annually using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which claims are incurred.

Each participating State agency is required to pay to PEBP for every participating active employee an amount determined by the State Legislature (currently a dollar amount per month per active employee) to pay costs of contributions for the PPO and EPO Plans or premiums for the HMO Plan. The State subsidy from participating State agencies is deposited into the Active Employees’ Group Insurance Subsidy Account in the Agency Fund for the

Payroll of the State (“Payroll Fund”). The Governor’s Finance Office determines the allocation of the State subsidy to the required contribution or premium based on the coverage plan and dependent tier selected by each State employee. The State subsidy amount determined by the PEBP Board is transferred from the Payroll Fund to the Self Insurance Trust Fund monthly. The State employee is responsible for paying to PEBP the difference between the required contribution or premium and the amount subsidized by the State, through deductions in their compensation. Members of the State Legislature are required to pay the entire premium or contribution. All contributions and premiums are deposited into the Self Insurance Trust Fund.

The State subsidizes a portion of the costs of PEBP contributions or premiums for eligible State retirees who are covered under the PPO, EPO or HMO plans. For Medicare eligible retirees covered through the Exchange, the State provides a reduced monthly dollar amount in a Health Reimbursement Arrangement that the retiree may use to receive reimbursement for premiums or other qualified medical expenses. As with the subsidy for active employees, the amount contributed by the State to fund a portion of the PEBP contributions, premiums or qualified medical expenses for each person who retired with State service and continues to participate in PEBP is determined by the State Legislature. The State subsidy is funded through an assessment, which is deposited into the State Retirees’ Health and Welfare Benefits Fund (“Retirees’ Fund”), in an amount equal to a percentage of actual payroll paid by each State entity and is based on the amount established by the State Legislature. Retirees who are covered under the PPO, EPO or HMO plans are responsible for paying to PEBP the difference between the required contribution or premium and the amount subsidized by the State. Retirees covered through the Exchange are responsible for paying their monthly premiums and other qualified medical expenses to the insurance organization under which they are covered or their provider, as appropriate, and must then submit claims for reimbursement from PEBP.

For FY 2018, 2019, 2020 and 2021, the State and its component units contributed \$270,732,842, \$276,639,847, \$292,590,729, and \$272,183,708 respectively, to PEBP for employee and retiree benefits. The budgeted contribution for FY 2022 is \$266,543,926. The level of future required contributions depends on a variety of other factors, including actuarial assumptions, additional potential changes in benefits, and, for retiree benefit contributions, the future portfolio performance of investments in the Retirees’ Fund, if any. There can be no assurances that the required annual contribution to PEBP will not continue to increase.

Self Insurance Trust Fund. Nevada statutes require that all amounts received by PEBP for the payment of contributions for the PPO and EPO Plans or premiums for the HMO Plan, including employer subsidies and participant contributions, be deposited with the State Treasurer for credit to the Self Insurance Trust Fund. Amounts are held in the Self Insurance Trust Fund until applied to pay approved claims or premiums for the HMO Plans on a “pay-as-you-go” basis or to pay other administrative and contract costs. There is no stop loss or excess liability insurance. As of June 30, 2020, the Self Insurance Trust Fund had an actuarially determined fully funded incurred but not reported claims reserve of \$51,514,000, a fully funded reserve for Health Reimbursement Arrangement contributions made by PEBP but not spent by participants of \$30,550,651, and net assets of \$84,591,878 which includes a \$34,835,000 catastrophic reserve actuarially determined to provide approximately 50 days’ worth of claims payments to ensure that PEBP will maintain long-term solvency and an estimated \$38,555,339 in excess reserves. See the Audited Annual Financial Statements of the Self Insurance Trust Fund at <https://pebp.state.nv.us/wp-content/uploads/2021/01/Audited-Financial-Statements-for-the-Year-Ending-June-30-2020.pdf> for more information about the Self Insurance Trust Fund as of June 30, 2020.

Retiree’s Fund. The State Legislature established the Retirees’ Fund in 2007 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 eligible State retirees and their dependents through the payment of the State retiree subsidies. The Retirees’ Fund is administered by the PEBP Board. Nevada statutes require that all money appropriated by the State Legislature to the Retirees’ Fund, all amounts derived from the State assessment, all money accruing to the Retirees’ Fund from all other sources and any other money provided to PEBP for the payment of health and welfare benefits for current and future State retirees be deposited in the Retirees’ Fund. Such amounts remain in the Retirees’ Fund until they are transferred to the Self Insurance Trust Fund as required for the purpose of offsetting a portion of the costs of providing health and welfare benefits for State retirees or to pay other authorized costs. The money in the Retirees’ Fund belongs to the officers, employees and retirees of the State in aggregate. Neither the State nor the governing body of any 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. See the Audited Annual Financial Statements of the State Retirees’ Health and Welfare Benefits Fund at <https://pebp.state.nv.us/wp-content/uploads/2020/12/Retirees-Fund->

Audited-Financial-Statements-for-the-Year-Ending-June-30-2020.pdf for more information about the Retirees' Fund as of June 30, 2020.

For FY 2018, 2019, 2020, and 2021 the State and its component units contributed to the Retirees' Fund \$39,710,152, \$40,985,175, \$43,881,808.42, \$41,725,436 respectively. For FY 2018, 2019, 2020, and 2021, \$39,710,152, \$40,985,175, \$43,941,684, and \$41,739,299 were transferred to the Self Insurance Trust Fund to fund health and welfare benefits for current State retirees for such fiscal years.

SB457 of the 2007 Legislative Session created the Retirement Benefits Investment Fund ("RBIF") and set the Board of Trustees as the members of the PERS Board. The fund is a voluntary investment opportunity for the state and local governments to have assets in their OPEB trusts managed in like fashion to the Public Employees' Retirement Fund. NRS 355.220 authorizes RBIF to invest the money for trust funds established by government agencies for authorized purposes. It is the responsibility of each participating government agency to contribute, withdraw and use the funds for authorized purposes. The funds in the RBIF may be transferred to the State Retirees' Health and Welfare Fund created by NRS 287.0436 for the purposes specified in NRS 287.0436. The only instance when PEBP has used these funds was during the 2010 special session. Section 79 of AB3 directed the State Controller to transfer the sum of \$24.7 million to the fund created by NRS 287.0436. By the time the withdrawal occurred, the market value of the fund had increased which resulted in remaining funds. Although no additional contributions have been made by PEBP, these funds have since been gaining interest and the market value of the fund has grown to approximately \$2.2 million. In March 2021, PEBP withdrew the remaining funds of approximately \$2.2 million from the RBIF account to cover a portion of a shortfall in the Retired Employee Group Insurance subsidy account.

GASB 75. Compliance with GASB 75 requires that the State report its other post-employment benefit ("OPEB") liability and its annual required contribution, effective July 1, 2018. Like the pension liability, the OPEB liability calculated in accordance with GAAP can differ from the actuarial accrued liability. However, unlike the pension liability for which the State is putting money aside, the State pays the OPEB liability on a pay-as-you-go basis and is not prefunding the OPEB liability, other than the amounts set aside in the Retirees' Fund. In July 2020, AON Consulting (the "Actuary") released its Nevada Public Employees' Benefits Program's Retiree Health and Life Insurance Plans Actuarial Report for GASB OPEB Valuation for the year ending June 30, 2021 (the "2021 Valuation"). The 2021 Valuation considered the medical, prescription drug, dental and life insurance coverage provided by PEBP. The report can be found at PEBP's website at <https://pebp.state.nv.us/wp-content/uploads/2021/07/OPEB-Actuarial-Report-for-the-Year-Ending-June-30-2021.pdf>.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and trends in healthcare costs. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. In preparing the 2021 Valuation, the Actuary made certain assumptions, including current claim cost, projected increases in health insurance costs, mortality, turnover, retirement, disability and discount rate. For more information, see the Actuarial Report for Other Post-Employment Benefits at <https://pebp.state.nv.us/wp-content/uploads/2020/06/OPEB-Actuarial-Report-for-the-Year-Ending-June-30-2020.pdf>.

The State is required to report the present value of the benefits of the Plan, as determined in accordance with GAAP. The present value of all benefits is the total present value of all expected future benefits (defined as paid claims and expenses from the Plan, net of retiree contributions) for retirees (both currently retired and active employees), based upon certain actuarial assumptions. As of June 30, 2021, the present value of the benefits of the Plan was \$2,168,896,741 according to the 2021 Valuation.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

Table 2B below sets forth the GASB 75 statistics for the year ending June 30, 2021.

**Table 2B
GASB 75 Statistics**

	June 30, 2021
Present Value of Benefits	\$2,168,896,741
OPEB Expense	85,776,704
Net OPEB Liability	1,503,710,290

Source: State of Nevada, compiled from the 2021 Valuation. Table reflects the PEBP data which includes both the State and NSHE employees as participants. These reports can be found under the Actuarial Report for Other Post-Employment Benefits at <https://pebp.state.nv.us/resources/fiscal-utilization-reports/>

GASB 74 and 75. Table 2C below sets forth the present value of the State’s benefits, actuarial accrued liability, annual required contribution, and annual OPEB cost, as presented in PEBP’s GASB 74 and 75 reports and as determined in accordance with GAAP, for the three fiscal years ended June 30, 2021 the date of the last full valuation under GASB 74 and 75.

**Table 2C
GASB 74 and GASB 75 Statistics**

	June 30, 2019	June 30, 2020	June 30, 2021
Actuarial Accrued Liability (AAL)	\$1,325,979,800	\$1,393,813,300	\$1,498,058,675
Actuarial Value of Assets	1,597,300	231,400	(5,651,615)
Unfunded Accrued Actuarial Liability (UAAL)	1,324,382,500	1,393,581,900	1,503,710,290
Actuarial Determined Contribution (ADC)	129,274,000	129,017,000	123,306,000
GASB 75 Expense	70,466,100	75,973,200	85,776,704

Source: State of Nevada, compiled from Nevada Public Employees’ Benefits Program’s Retiree Health and Life Insurance Plans Actuarial Report for GASB OPEB Valuation for the past three fiscal years. Table reflects the PEBP which includes both the State and NSHE employees as participants. These reports can be found under the Actuarial Report for Other Post-Employment Benefits at <https://pebp.state.nv.us/resources/fiscal-utilization-reports/>.

The actuarial accrued liability (the “AAL”) is the State’s liability or obligation for benefits earned through the valuation date, based on certain actuarial methods and assumptions. The Actuarial Determined Contribution (the “ADC”) is the amount actuarially determined and represents the level of funding that, if paid on an on-going basis, is projected to cover the “service cost” for and amortize any unfunded accrued actuarial liabilities (the “UAAL”) over a period of 30 years. The UAAL is the difference between the AAL and the actuarial value of the Plan assets. The “service cost” is the value of the benefits expected to be earned during the year, based on certain actuarial methods and assumptions.

The Table 2D below sets forth the schedule of funding progress as presented in PEBP's GASB 74 and 75 reports as of the last four valuation dates.

Table 2D
OPEB Funding Progress
(In Thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio (Value of Assets/AAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
6/30/2018	\$1,476	\$1,302,865	\$1,301,389	0.1%	\$1,663,856	78.2%
6/30/2019	1,597	1,325,980	1,324,383	0.1%	1,890,946	70.0%
6/30/2020	231	1,393,813	1,393,582	0.0%	1,991,456	70.0%
6/30/2021	-5,652	1,498,059	1,503,711	-0.4%	2,046,678	73.5%

Source: State of Nevada, compiled from Nevada Public Employees' Benefits Program's Retiree Health and Life Insurance Plans Actuarial Report for GASB OPEB Valuation – Final, for FY 2021 the date of the last full valuation under GASB 74 and 75. Table reflects the PEBP which includes both the State and NSHE employees as participants.

PEBP uses a number of economic and demographic assumptions in establishing contribution rates. Those assumptions that are generally applicable (not employee or claim-specific) are similar to those used by PERS. PERS has recently had an actuarial experience study done which, among other things, recommended that certain assumptions be modified. PEBP intends to follow those recommendations with respect to those categories of assumptions that are generally applicable.

PART II

APPENDIX A

**STATE OF NEVADA ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FY 2020
(EXCLUDING THE INTRODUCTORY SECTION AND STATISTICAL SECTION)**

[Note: Page numbers in Appendix A correspond to the
actual page numbers in the Annual Comprehensive Financial Report.]

[THIS PAGE INTENTIONALLY LEFT BLANK]

FINANCIAL SECTION



Independent Auditor's Report

The Honorable Catherine Byrne, CPA
State Controller
Carson City, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nevada, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the State of Nevada's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the following:

- the financial statements of the Nevada System of Higher Education, which is a discretely presented component unit, represent 97.54 percent of assets and deferred outflows of resources, 99.57 percent of net position, and 97.64 percent of revenues of the discretely presented component units;
- the financial statements of the Self Insurance and Insurance Premiums Internal Service Funds which, in the aggregate, represent less than one percent of the assets and deferred outflows of resources and the net position, and 2.25 percent of the revenues of the aggregate remaining fund information;
- the financial statements of the Pension Trust Funds and the Other Employee Benefit Trust Fund – State Retirees' Fund, which in the aggregate, represent 58.36 percent of the assets and deferred outflows of resources, 58.98 percent of the net position and 28.70 percent of the revenues of the aggregate remaining fund information;

What inspires you, inspires us. Let's talk. | eidebailly.com

5441 Kietzke Ln., Ste. 150 | Reno, NV 89511-2094 | T 775.689.9100 | F 775.689.9299 | EOE

- the financial statements of the Nevada College Savings Plan – Private Purpose Trust Fund, which represent 35.69 percent of the assets and deferred outflows of resources, 36.67 percent of the net position and 22.49 percent of the revenues of the aggregate remaining fund information;
- the financial statements of the Retirement Benefits Investment Fund – Investment Trust Fund, which represent less than one percent of the assets and deferred outflows of resources, net position and revenues of the aggregate remaining fund information.

Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the above-mentioned funds and entities, is based solely on the reports of the other auditors. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Pension Trust Funds, the Insurance Premiums Internal Service Fund and the Retirement Benefits Investment Fund were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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, 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, and the reports of other auditors, is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion on the Government-Wide Governmental Activities, General and Highway Funds – Inventory

We were unable to obtain sufficient appropriate audit evidence on the State's government-wide governmental activities inventory as it relates to the general fund donated personal protective equipment inventory nor the highway fund stockpile inventory. As a result, we were unable to determine whether additional adjustments were necessary on the State's governmental activities inventory as it relates to the general fund donated personal protective equipment inventory nor the highway fund stockpile inventory.

Qualified Opinion on the Government-Wide Governmental Activities, General and Highway Funds – Inventory

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nevada, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 19 to the financial statements, the State of Nevada has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, which has resulted in a restatement of the net position as of July 1, 2019. Our opinions are not modified with respect to this matter.

Correction of Errors

As discussed in Note 19 to the financial statements, the State of Nevada corrected errors in unemployment benefits payable and other postemployment benefit deferred outflows of resources - implicit subsidy which resulted in a restatement of net position as of July 1, 2019. Our opinions are not modified with respect to these matters.

Other Matters**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 16, the budgetary comparison information, the notes to required supplementary information-budgetary reporting, the postemployment benefits other than pensions (OPEB) information, the pension plan information, and the schedule of infrastructure condition and maintenance data, collectively presented on pages 96 through 104, be presented to supplement the basic financial statements. Such information, although not a 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 and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Nevada's basic financial statements. The introductory section, combining statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including 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 auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2021, on our consideration of the State of Nevada'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 State of Nevada'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 State of Nevada's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Reno, Nevada
May 21, 2021

[Page Intentionally Left Blank]

MANAGEMENT'S DISCUSSION AND ANALYSIS

State of Nevada management provides this discussion and analysis of the State of Nevada's Annual Comprehensive Financial Report (ACFR) for readers of the State's financial statements. This narrative overview and analysis of the financial activities of the State of Nevada is for the fiscal year ended June 30, 2020. Readers should consider this information in conjunction with the additional information furnished in the letter of transmittal.

HIGHLIGHTS

Government-wide:

- Total assets and deferred outflows of resources of the State exceeded liabilities and deferred inflows of resources by \$10.9 billion (reported as net position). Of this amount, \$9.6 billion is net investment in capital assets and \$3.2 billion is restricted for specific uses, neither of which are available to meet the State's general obligations, and a negative \$1.9 billion is reported as an unrestricted deficit, which indicates that no funds are available for discretionary purposes.
- The State's total net position decreased by \$379.7 million or 3.4% over the prior year, after restatement. Net position of governmental activities increased by \$469.5 million or 5.6%, after restatement. Net position of business-type activities decreased by \$849.2 million or 30.6%, after restatement. Beginning net position of governmental activities was restated for an increase of \$6.8 million to record the other post-employment benefit plan implicit subsidy, previously not recorded. Beginning net position of business-type activities was restated for a decrease of \$1.9 million for a change in methodology for calculating unemployment benefits that resulted in higher claims expense.

Fund-level:

- The State's governmental funds reported combined ending fund balances of \$2.3 billion, an increase of \$73.4 million from the prior year. Of the ending fund balance, \$436.6 million is nonspendable, \$725.5 million is restricted, \$1.1 billion is committed, \$13.9 million is assigned, and \$33.0 million is unassigned.
- The State's enterprise funds reported combined ending net position of \$1.9 billion, a decrease of \$850.0 million from the prior year, after restatement. Of the ending net position, \$5.6 million is net investment in capital assets, \$1.9 billion is restricted, and \$59.3 million is unrestricted.

Capital Assets and Long-term Debt:

- The State's capital assets, net of depreciation, increased by \$279.2 million or 2.6%.
- The State's total bonds payable and certificates of participation payable increased by \$195.2 million or 6.8%.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to the State of Nevada's basic financial statements which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The Annual Comprehensive Financial Report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements:

The *government-wide financial statements* are designed to provide readers with a broad overview of the State of Nevada's finances in a manner similar to the private sector. They take into account all revenues and expenses connected with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The *statement of net position* presents all of the State's assets, liabilities, and deferred outflows/inflows of resources with the difference being reported as "net position." The statement combines and consolidates all of the State's current financial resources with capital assets and long-term obligations. Over time, increases and decreases in net position measure whether the State's financial position is improving or deteriorating.

The *statement of activities* presents information showing how the State's net position changed during the most recent fiscal year. The statement reveals how much it costs the State to provide its various services, and whether the services cover their own costs through user fees, charges, grants, or are financed with taxes and other general revenues. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of cash flows. Therefore, some revenue and expenses reported in this statement will not result in cash flows until future fiscal periods (e.g., uncollected taxes earned and unused leave).

Both government-wide statements above report three types of activities:

Governmental Activities – Taxes and intergovernmental revenues primarily support these activities. Most services normally associated with State government fall into this category, including general government, health and social services, education, law, justice and public safety, regulation of business, transportation, recreation and resource development, interest on long-term debt and unallocated depreciation.

Business-type Activities – These activities are intended to recover all, or a significant portion, of the costs of the activities by charging fees to customers. The Housing Division and Unemployment Compensation are examples of the State's business-type activities.

Discretely Presented Component Units – Discrete component units are legally separate organizations for which their relationship with the primary government meets selected criteria. The State has three discretely presented component units – the Nevada System of Higher Education, the Colorado River Commission and the Nevada Capital Investment Corporation. Complete financial statements of the individual component units can be obtained from their respective administrative offices.

Fund Financial Statements:

A fund is an accounting entity consisting of a set of self-balancing accounts to track funding sources and spending for a particular purpose. The State's funds are broken down into three types:

Governmental funds – Most of the State's basic services are reported in governmental funds. These funds focus on short-term outflows and inflows of expendable resources as well as balances left at the end of the fiscal year available to finance future activities. These funds are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting.

The governmental fund financial statements focus on major funds and provide additional information that is not provided in the government-wide financial statements. It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. A reconciliation is provided between the governmental fund statements and the governmental activities in the government-wide financial statements.

Proprietary funds – When the State charges customers for the services it provides, whether to outside customers (enterprise funds) or to other State agencies (internal service funds), the services are generally reported in the proprietary funds. Proprietary funds apply the accrual basis of accounting utilized by private sector businesses, and there is a reconciliation between the government-wide financial statement business-type activities and the enterprise fund financial statements. Because internal service fund operations primarily benefit governmental funds, they are included with the governmental activities in the government-wide financial statements.

Fiduciary funds – These funds are used to account for resources held for the benefit of parties outside the state government. For instance, the State acts as a trustee or fiduciary for its employee pension plans, and it is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. Fiduciary funds are reported using the accrual basis of accounting. The government-wide statements exclude fiduciary fund activities and balances because these assets are restricted in purpose and do not represent discretionary assets of the State to finance its operations.

Notes to the Financial Statements:

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in both the government-wide and fund financial statements.

Required Supplementary Information:

The required supplementary information includes budgetary comparison schedules for the General Fund and major special revenue funds, along with notes and a reconciliation of the statutory and U.S. generally accepted accounting principles (GAAP) fund balances at fiscal year-end. This section also includes a schedule of pension plan information, a schedule of postemployment benefits other than pensions (OPEB) information and a schedule of infrastructure condition and maintenance data.

Other Supplementary Information:

Other supplementary information includes combining financial statements for non-major governmental, non-major enterprise, all internal service and all fiduciary funds. The non-major funds are added together, by fund type, and presented in single columns in the basic financial statements. Other supplementary information contains budgetary schedules of total uses for the General Fund and special revenue fund budgets, as well as a schedule of sources for non-major special revenue fund budgets.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The State's overall financial position and operations for the fiscal years ended June 30, 2020 and 2019, for the primary government are summarized in the following statements based on the information included in the government-wide financial statements.

State of Nevada's Net Position-Primary Government (expressed in thousands)

	Governmental Activities		Business-type Activities		Total		Total Change
	2020	2019	2020	2019	2020	2019	2020-2019
Assets							
Current and other assets	\$ 5,899,978	\$ 5,145,385	\$ 4,345,062	\$ 3,759,518	\$ 10,245,040	\$ 8,904,903	\$ 1,340,137
Net capital assets	11,038,620	10,758,896	13,036	13,597	11,051,656	10,772,493	279,163
Total assets	<u>16,938,598</u>	<u>15,904,281</u>	<u>4,358,098</u>	<u>3,773,115</u>	<u>21,296,696</u>	<u>19,677,396</u>	<u>1,619,300</u>
Deferred outflows of resources	505,302	472,363	8,695	8,237	513,997	480,600	33,397
Liabilities							
Other liabilities	2,802,463	2,194,929	1,210,547	52,561	4,013,010	2,247,490	1,765,520
Non-current liabilities	5,436,690	5,491,932	1,227,133	951,333	6,663,823	6,443,265	220,558
Total liabilities	<u>8,239,153</u>	<u>7,686,861</u>	<u>2,437,680</u>	<u>1,003,894</u>	<u>10,676,833</u>	<u>8,690,755</u>	<u>1,986,078</u>
Deferred inflows of resources	269,229	223,765	4,949	4,068	274,178	227,833	46,345
Net position							
Net investment in capital assets	9,581,627	9,309,140	5,627	5,834	9,587,254	9,314,974	272,280
Restricted	1,309,935	1,215,626	1,858,847	2,734,062	3,168,782	3,949,688	(780,906)
Unrestricted (deficit)	(1,956,044)	(2,058,748)	59,690	33,494	(1,896,354)	(2,025,254)	128,900
Total net position	<u>\$ 8,935,518</u>	<u>\$ 8,466,018</u>	<u>\$ 1,924,164</u>	<u>\$ 2,773,390</u>	<u>\$ 10,859,682</u>	<u>\$ 11,239,408</u>	<u>\$ (379,726)</u>

Net Position:

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The State reported net position of \$10.9 billion at the end of 2020, compared with \$11.2 billion at the end of the previous year.

The largest portion of the State's net position (\$9.6 billion) reflects its investment in capital assets such as land, buildings, improvements other than buildings, equipment, software costs, construction in progress, infrastructure and rights-of-way, less any related debt still outstanding that was used to acquire those assets. The State uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the State's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the State's net position (\$3.2 billion) represents resources that are subject to external restrictions on how they may be used. At the close of the fiscal year, the State reported an unrestricted net position deficit of \$1.9 billion as compared to a \$2.0 billion deficit in the prior year. The governmental activities and business-type activities components of the unrestricted net position deficit are discussed below.

The unrestricted net position deficit in governmental activities decreased by \$102.7 million; from a deficit of \$2.1 billion to a deficit of \$2.0 billion. Changes in governmental activities were a result of several factors, including an increase in the unrestricted fund balance of the General Fund and other governmental funds of \$26.6 million and \$1.7 million, respectively, and an increase of \$45.4 million in deferred inflows of resources for unrestricted and unavailable revenue recognized as revenue in the government-wide statement of activities. In business-type activities, the unrestricted net position increased by \$26.2 million from a net position of \$33.5 million to a net position of \$59.7 million. The increase is primarily due to an increase in the unrestricted net position of the Housing Division fund in the amount of \$24.7 million and an increase in the unrestricted net position of the Self-Insurance Fund in the amount of \$26.5 million.

Changes in State of Nevada's Net Position-Primary Government
(expressed in thousands)

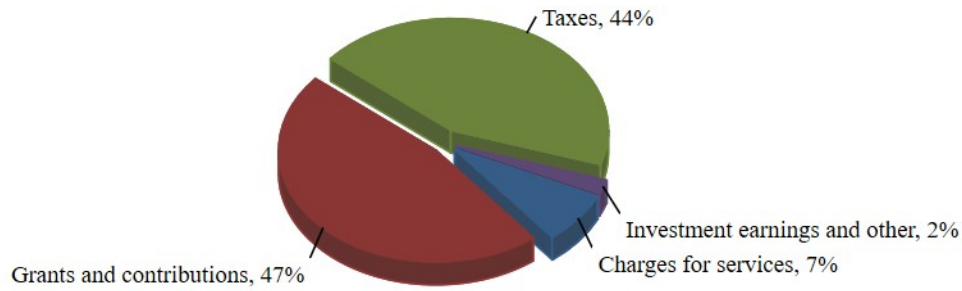
	Governmental Activities		Business-type Activities		Total		Total Change
	2020	2019	2020	2019	2020	2019	2020-2019
Revenue							
Program revenue							
Charges for services	\$ 898,813	\$ 919,023	\$ 142,867	\$ 135,853	\$ 1,041,680	\$ 1,054,876	\$ (13,196)
Operating grants and contributions	5,592,299	5,521,790	3,952,488	97,884	9,544,787	5,619,674	3,925,113
Capital grants and contributions	27,732	42,688	-	-	27,732	42,688	(14,956)
General revenues:							
Gaming taxes	868,899	953,711	-	-	868,899	953,711	(84,812)
Sales and use taxes	1,502,046	1,473,990	-	-	1,502,046	1,473,990	28,056
Modified business taxes	666,232	640,552	-	-	666,232	640,552	25,680
Insurance premium taxes	450,749	422,106	-	-	450,749	422,106	28,643
Lodging taxes	157,099	208,477	-	-	157,099	208,477	(51,378)
Cigarette taxes	156,695	164,393	-	-	156,695	164,393	(7,698)
Commerce taxes	206,609	227,431	-	-	206,609	227,431	(20,822)
Property and transfer taxes	294,656	284,615	-	-	294,656	284,615	10,041
Motor and special fuel taxes	315,659	327,475	-	-	315,659	327,475	(11,816)
Other taxes	606,474	579,536	677,006	684,984	1,283,480	1,264,520	18,960
Unrestricted investment earnings	45,763	37,983	-	-	45,763	37,983	7,780
Other general revenues	192,497	216,122	1	-	192,498	216,122	(23,624)
Total revenue	11,982,222	12,019,892	4,772,362	918,721	16,754,584	12,938,613	3,815,971
Expenses							
General government	262,522	392,170	-	-	262,522	392,170	(129,648)
Health services	4,275,154	4,391,281	-	-	4,275,154	4,391,281	(116,127)
Social services	1,886,634	1,699,099	-	-	1,886,634	1,699,099	187,535
Education - K-12 state support	1,803,605	1,595,968	-	-	1,803,605	1,595,968	207,637
Education - K-12 administrative	638,858	606,585	-	-	638,858	606,585	32,273
Education - higher education	696,982	672,643	-	-	696,982	672,643	24,339
Law, justice and public safety	865,199	711,961	-	-	865,199	711,961	153,238
Regulation of business	312,520	332,615	-	-	312,520	332,615	(20,095)
Transportation	553,452	483,718	-	-	553,452	483,718	69,734
Recreation and resource development	184,811	183,102	-	-	184,811	183,102	1,709
Interest on long-term debt	71,861	75,913	-	-	71,861	75,913	(4,052)
Unallocated depreciation	2,439	2,306	-	-	2,439	2,306	133
Unemployment insurance	-	-	5,474,096	281,191	5,474,096	281,191	5,192,905
Housing	-	-	35,647	27,805	35,647	27,805	7,842
Water loans	-	-	5,758	4,361	5,758	4,361	1,397
Workers' compensation and safety	-	-	42,469	34,563	42,469	34,563	7,906
Higher education tuition	-	-	11,167	8,046	11,167	8,046	3,121
Other	-	-	32,632	31,919	32,632	31,919	713
Total expenses	11,554,037	11,147,361	5,601,769	387,885	17,155,806	11,535,246	5,620,560
Change in net position before contributions to permanent funds, special items and transfers	428,185	872,531	(829,407)	530,836	(401,222)	1,403,367	(1,804,589)
Contributions to permanent funds	16,589	8,259	-	-	16,589	8,259	8,330
Transfers	17,929	12,121	(17,929)	(12,121)	-	-	-
Change in net position	462,703	892,911	(847,336)	518,715	(384,633)	1,411,626	(1,796,259)
Net position - beginning of year	8,466,018	4,453,993	2,773,390	2,254,675	11,239,408	6,708,668	4,530,740
Net position restatement	6,797	3,119,114	(1,890)	-	4,907	3,119,114	(3,114,207)
Net position - beginning of year (as restated)	8,472,815	7,573,107	2,771,500	2,254,675	11,244,315	9,827,782	1,416,533
Net position - end of year	\$ 8,935,518	\$ 8,466,018	\$ 1,924,164	\$ 2,773,390	\$ 10,859,682	\$ 11,239,408	\$ (379,726)

Changes in Net Position:

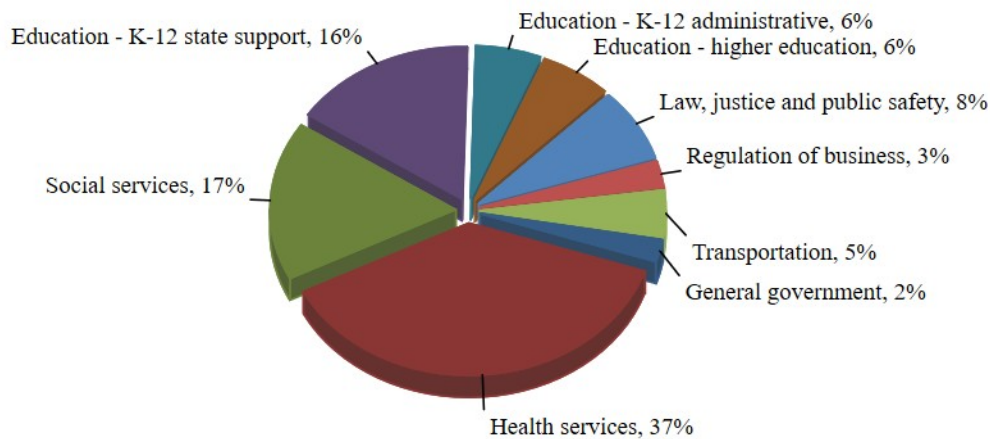
Total government-wide revenues increased by \$3.8 billion during the current year. The increase in revenues is a result of several factors, including increases of \$3.9 billion in federal funding, \$28.1 million in sales and use taxes, and \$28.6 million in insurance premium taxes.

Governmental activities – The current year net position increased by \$462.7 million. Approximately 43.6% of the total revenue came from taxes, while 46.9% was in the form of grants and contributions (including federal aid). Charges for various goods and services provided 7.5% of the total revenues (see chart following). The State's governmental activities expenses cover a range of services and the largest expenses were 37.2% for health services, 16.4% for social services, and 15.7% for state support of K-12 education (see chart following). In 2020, governmental activities expenses exceeded program revenues, resulting in the use of \$5.0 billion in general revenues, which were generated to support the government.

The following chart depicts the governmental activities revenues for the fiscal year:



The following chart depicts the governmental activities expenses for the fiscal year:



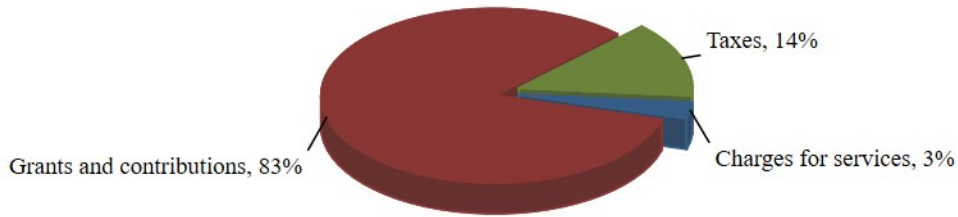
The following table depicts the total program revenues and expenses for each function of governmental activities:

Revenues and Expenses by Function: Governmental Activities
(expressed in thousands)

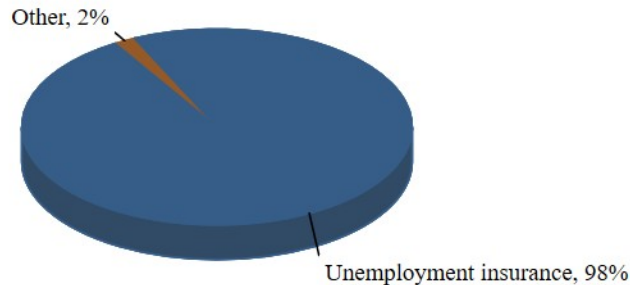
	Expenses	Revenues
General government	\$ 262,522	\$ 339,072
Health services	4,275,154	3,483,536
Social services	1,886,634	1,273,238
Education - K-12 state support	1,803,605	5,680
Education - K-12 administrative	638,858	300,329
Education - higher education	696,982	-
Law, justice and public safety	865,199	333,407
Regulation of business	312,520	269,114
Transportation	553,452	414,454
Recreation and resource development	184,811	99,378
Total	\$ 11,479,737	\$ 6,518,208

Business-type activities – The current year net position decreased by \$847.3 million. Approximately 14.2% of the total revenue came from taxes, while 82.8% was in the form of grants and contributions (including federal aid). Charges for various goods and services provided 3.0% of the total revenues (see chart following). The State’s business-type activities expenses cover a range of services. The largest expenses were 97.7% for unemployment compensation (see chart following). In 2020, business-type activities expenses exceeded program revenues by \$1.5 billion. Of this amount, unemployment compensation was the largest, with net expenses of \$1.6 billion, resulting in the use of general revenues generated by and restricted to the Unemployment Compensation Fund.

The following chart depicts the business-type activities revenues for the fiscal year:



The following chart depicts the business-type activities expenses for the fiscal year:



The following table depicts the total program revenues and expenses for each function for business-type activities:

Revenues and Expenses by Function: Business-type Activities
(expressed in thousands)

	Expenses	Revenues
Unemployment insurance	\$ 5,474,096	\$ 3,907,045
Housing	35,647	45,366
Water loans	5,758	28,976
Workers' compensation and safety	42,469	54,430
Higher education tuition	11,167	24,590
Other	32,632	34,948
Total	\$ 5,601,769	\$ 4,095,355

The State's overall financial position declined over the past year. Current year operations resulted in a \$462.7 million increase in the net position of the governmental activities and an \$847.3 million decrease in the net position of the business-type activities. Key economic indicators from the State's sales and other taxes show a decline. Tax revenues for governmental activities decreased in the current fiscal year by \$57.2 million or 1.1% compared to an increase of \$318.1 million or 6.4% in the prior fiscal year. Operating grants and contributions for governmental activities increased by \$70.5 million primarily due to Grant revenues.

FINANCIAL ANALYSIS OF THE STATE'S FUNDS

Governmental Funds:

As of the end of the current fiscal year, the State's governmental funds reported combined ending fund balances of \$2.3 billion, an increase of \$73.4 million from the prior year. Of these total ending fund balances, \$436.6 million or 18.8% is nonspendable, either due to its form or legal constraints, and \$725.5 million or 31.3% is restricted for specific programs by external constraints, constitutional provisions, or contractual obligations. An additional \$1.1 billion or 47.8% of total fund balance has been committed to specific purposes. Committed amounts cannot be used for any other purpose unless approved by the Legislature. NRS 353.288

provides for the Account to Stabilize the Operation of the State Government (Stabilization Account) in the State General Fund. 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 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. In addition, 1% of the total anticipated revenue for the fiscal year, as projected by the Economic Forum, is deposited to the Stabilization Account. Expenditures may occur if actual revenues for the biennium fall short by 5% or more from anticipated revenues, if the Legislature and Governor declare that a fiscal emergency exists, or if the Legislature allocates it to be used for any other purpose. The balance in the Stabilization Account committed for fiscal emergency at June 30, 2020, is \$97.5 million. An additional \$13.9 million or 0.6% of total fund balance is assigned. The remaining positive \$33.0 million or 1.4% of fund balance is unassigned. The major funds are discussed more fully below.

The *General Fund* is the chief operating fund of the State. At the end of the current fiscal year, the total General Fund fund balance was \$804.8 million compared to \$808.7 million in the prior fiscal year. The fund balance decreased by \$3.9 million or 0.5% over the previous year.

The following schedule presents a summary of revenues of the General Fund for the fiscal years ended June 30, 2020 and 2019 (expressed in thousands). Other financing sources are not included.

	General Fund Revenues (expressed in thousands)					
	2020		2019		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
Gaming taxes, fees, licenses	\$ 856,817	8.3 %	\$ 941,144	9.0 %	\$ (84,327)	(9.0)%
Sales taxes	1,493,718	14.5 %	1,465,518	14.1 %	28,200	1.9 %
Modified business taxes	642,603	6.2 %	640,375	6.2 %	2,228	0.3 %
Insurance premium taxes	450,739	4.4 %	422,512	4.1 %	28,227	6.7 %
Lodging taxes	138,011	1.3 %	183,398	1.8 %	(45,387)	(24.7)%
Cigarette taxes	156,695	1.5 %	164,393	1.6 %	(7,698)	(4.7)%
Commerce taxes	204,984	2.0 %	226,770	2.2 %	(21,786)	(9.6)%
Property and transfer taxes	103,065	1.0 %	104,431	1.0 %	(1,366)	(1.3)%
Motor and special fuel taxes	2,190	0.0 %	2,289	0.0 %	(99)	(4.3)%
Other taxes	431,521	4.2 %	434,980	4.2 %	(3,459)	(0.8)%
Intergovernmental	5,273,127	51.2 %	5,246,960	50.4 %	26,167	0.5 %
Licenses, fees and permits	379,279	3.7 %	388,527	3.7 %	(9,248)	(2.4)%
Sales and charges for services	67,688	0.7 %	70,008	0.7 %	(2,320)	(3.3)%
Interest and investment income	49,745	0.5 %	44,986	0.4 %	4,759	10.6 %
Settlement income	1,390	0.0 %	22,780	0.2 %	(21,390)	(93.9)%
Other	57,352	0.6 %	52,108	0.5 %	5,244	10.1 %
Total revenues	\$ 10,308,924	100.0 %	\$ 10,411,179	100.0 %	\$ (102,255)	(1.0)%

The total General Fund revenues decreased by \$102.3 million or 1.0%. The largest decreases in revenue sources were \$45.4 million or 24.7% in lodging taxes, \$84.3 million or 9.0% in gaming taxes, fees and licenses, \$21.8 million or 9.6% in commerce taxes, and \$21.4 million or 93.9% in settlement income. The decreases in lodging taxes, commerce taxes, and gaming taxes, fees, and licenses are all primarily due to industry shutdowns due to the COVID-19 pandemic. The decrease in settlement income is primarily due to the timing of legal cases and has normal fluctuations.

The following schedule presents a summary of expenditures by function of the General Fund for the fiscal years ended June 30, 2020 and 2019 (expressed in thousands). Other financing uses are not included.

	General Fund Expenditures (expressed in thousands)					
	2020		2019		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
General government	\$ 198,363	1.9 %	\$ 205,310	2.0 %	\$ (6,947)	(3.4)%
Health services	4,269,152	41.1 %	4,397,082	43.3 %	(127,930)	(2.9)%
Social services	1,774,593	17.1 %	1,635,930	16.1 %	138,663	8.5 %
Education - K-12 state support	1,803,605	17.4 %	1,595,968	15.7 %	207,637	13.0 %
Education - K-12 administrative	633,393	6.1 %	602,009	5.9 %	31,384	5.2 %
Education - higher education	667,274	6.4 %	677,048	6.7 %	(9,774)	(1.4)%
Law, justice and public safety	588,164	5.7 %	559,392	5.5 %	28,772	5.1 %
Regulation of business	289,108	2.8 %	310,440	3.1 %	(21,332)	(6.9)%
Recreation and resource development	163,566	1.6 %	156,949	1.5 %	6,617	4.2 %
Debt service	3,487	0.0 %	3,669	0.0 %	(182)	(5.0)%
Total expenditures	\$ 10,390,705	100.0 %	\$ 10,143,797	100.0 %	\$ 246,908	2.4 %

The total General Fund expenditures increased by 2.4%. The largest increase in expenditures was \$207.6 million or 13.0% in Education - K-12 State support. This increase was primarily due to an increase in Distributive School Account distributions resulting from an increase in excise taxes.

The *State Highway Fund* is a special revenue fund used to account for the maintenance, regulation, and construction of public highways and is funded through vehicle fuel taxes, federal funds, other charges, and bond revenue. The fund balance increased by \$60.8 million or 13.2% during the current fiscal year compared to a decrease of \$68.6 million, before restatement, or 13.0% in the prior year. Total revenues decreased by \$37.4 million, due primarily to decreases in license, fees and permits, and motor vehicle and special fuel taxes. These lost revenues were due to the effects of the COVID-19 pandemic on the transportation industry. Expenditures decreased by \$145.2 million or 13.0% over the prior year. This was primarily due to a decrease of \$157.1 million in transportation expenditures, due to major road construction projects either nearing completion or being completed, partially offset by an increase in salary expenditures and an aircraft purchase. Other financing sources and uses increased by \$21.6 million or 271.0% over the prior year.

Proprietary Funds:

The State's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Proprietary funds are comprised of two types: enterprise funds and internal service funds. Enterprise funds are used when goods or services are provided primarily to parties outside of the State while internal service funds are used when goods or services are provided primarily to State agencies.

Enterprise Funds – There are four major enterprise funds: Housing Division Fund, Unemployment Compensation Fund, Water Projects Loans Fund and the Higher Education Tuition Trust Fund. The combined net position of the four major funds is \$1.9 billion, the net position of the nonmajor enterprise funds is \$29.1 million and the total combined net position of all enterprise funds is \$1.9 billion. The combined net position of all enterprise funds decreased by \$850.0 million from the prior year, after restatement. The major enterprise funds are discussed below:

The *Housing Division Fund* was created for the purpose of making available additional funds to assist private enterprise and governmental agencies in providing safe and sanitary housing facilities and provides low interest loans for first-time home buyers with low or moderate incomes. The net position increased by \$9.7 million or 4.3%, resulting in an ending net position of \$236.1 million. Revenues from interest on loans increased by 29.5% reflecting Nevada's strong housing market. Operating expenses increased by \$11.0 million, and operating revenues increased by \$5.0 million.

The *Unemployment Compensation Fund* accounts for the payment of unemployment compensation benefits to unemployed State citizens. The net position decreased by \$897.3 million from the prior year, after restatement, resulting in an ending net position of \$1.0 billion. The current year change in net position was a decrease of \$895.3 million, and beginning net position was decreased by \$1.9 million for a change in methodology for calculating unemployment benefits that resulted in higher claims expense. The current year decrease in net position is primarily due to expenses exceeding revenues by \$890.5 million. During fiscal year 2020, \$5.5 billion of unemployment compensation benefits was paid to unemployed State citizens compared to \$281.2 million paid in fiscal year 2019, representing a 1,847% increase in claims expense.

The *Water Projects Loans Fund* issues loans to governmental and private entities for two programs: Safe Drinking Water and Water Pollution Control. The federal EPA matches the State's bond proceeds to make loans to governmental entities; only federal funds are loaned to private entities. The net position increased by \$21.1 million during the current fiscal year, for a final net position of \$479.9 million, which is a 4.6% increase from the prior year.

The *Higher Education Tuition Trust Fund* provides a simple and convenient way for Nevada families to save for a college education through the advance payment of tuition. A purchaser enters into a contract for the future payment of tuition for a specified beneficiary. The contract benefits are based on in-state rates for Nevada public colleges, but can be used towards costs at any accredited, nonprofit, private or out-of-state college. The Trust Fund completed its twenty-second enrollment period during the fiscal year with 517 new enrollments. The net position increased by \$14.2 million, for an ending net position of \$142.0 million, an 11.1% increase over last year. This change in net position is considered a normal fluctuation in current activity from contract purchases, benefit payments and investment earnings.

Internal Service Funds – The internal service funds charge State agencies for goods and services such as building maintenance, purchasing, printing, insurance, data processing and fleet services in order to recover the costs of the goods or services. Rates charged to State agencies for the operations of internal service funds are adjusted in following years to offset gains and losses. Because these are allocations of costs to other funds, they are not included separately in the government-wide financial statements but are eliminated and reclassified as either governmental activities or business-type activities. In 2020, total internal service fund net position increased by \$28.2 million, for a final net position of \$17.6 million. The three largest funds are:

The *Self-Insurance Fund* accounts for group health, life and disability insurance for State employees and retirees and certain other public employees. Net position increased by \$26.5 million or 45.6% during the current year, for a final net position of \$84.6 million. The increase in net position from current activity is primarily due to an increase in the State subsidy that was set in the 2019 Legislative Session.

The *Information Services Fund* accounts for design, maintenance and operation of the State's central computer facility, radio communication, and telecommunication systems. The net position deficit decreased by \$3.8 million or 18.5% during the current year, for a final net position deficit of \$16.6 million. The increase in net position from current activity is a result of an increase in user charges, offset by a decrease in outside contracts. The remaining change is considered a normal fluctuation in services and expenses of the fund.

The Insurance Premiums Fund accounts for general, civil (tort), auto and property casualty liabilities of State agencies. The net position deficit decreased by \$0.1 million or 0.2% during the current year, resulting in an ending net position deficit of \$42.9 million. The increase in net position from current activity is considered a normal fluctuation of insurance claims and expenses.

ANALYSIS OF GENERAL FUND BUDGET VARIATIONS

The General Fund budgetary revenues and other financing sources were \$2.0 billion or 13.1% less than the final budget, primarily because actual intergovernmental revenues received were less than the final budgeted amount. Intergovernmental revenues represent federal grants, and there are timing differences arising from when grants are awarded, received and spent. The final budget can include grant revenue for the entire grant period, whereas the actual amount recorded represents grant revenue received in the current year.

The net increase in the General Fund expenditures and other uses budget from original to final was \$2.0 billion. Some of the differences originate because the original budget consists only of those budgets subject to legislative approval through the General Appropriations Act and the Authorizations Bill. The non-executive budgets, not subject to legislative approval, only require approval by the Budget Division, and, if approved after July 1, are considered to be revisions. Increases due to the nonexecutive budgets approved after July 1 and increased estimated receipts were approximately \$2.0 billion.

CAPITAL ASSETS AND LONG-TERM DEBT ADMINISTRATION

Capital Assets:

The State's capital assets for governmental and business-type activities as of June 30, 2020, amount to \$12.6 billion, net of accumulated depreciation of \$1.5 billion, resulting in a net book value of \$11.1 billion. This investment in capital assets includes land, buildings, improvements other than buildings, equipment, software costs, infrastructure, rights-of-way, and construction in progress. Infrastructure assets are items that are normally immovable, such as roads and bridges.

At June 30, 2020, the State had construction contract commitments of approximately \$303.1 million in the Highway Fund for construction of various highway projects, and \$30.1 million in capital projects funds for buildings and improvements. Funding for the commitments will come from existing resources in these funds and from future appropriations and bond proceeds.

As allowed by GASB Statement No. 34, the State has adopted an alternative process for recording depreciation expense on elected infrastructure assets. Under this alternative method, referred to as the modified approach, the State expenses certain maintenance and preservation costs and does not report depreciation expense on infrastructure. Utilization of this approach requires the State to: 1) commit to maintaining and preserving affected assets at or above a condition level established by the State; 2) maintain an inventory of the assets and perform periodic condition assessments to ensure that the condition level is being maintained; and 3) make annual estimates of the amounts that must be expended to maintain and preserve assets at the predetermined condition levels. To monitor the condition of the roadways the State uses the International Roughness Index (IRI). The State has set a policy that it will maintain a certain percentage of each category of its roadways with an IRI of less than 95 and will also maintain its bridges so that not more than 10% are structurally deficient. The following table shows the State's policy and the condition level of the roadways and bridges:

Condition Level of the Roadways

**Percentage of roadways with an IRI of less than 95
Category**

	I	II	III	IV	V
State Policy-minimum percentage	70%	65%	60%	40%	10%
Actual results of 2019 condition assessment	91%	86%	88%	57%	28%
Actual results of 2018 condition assessment	90%	88%	91%	58%	25%
Actual results of 2017 condition assessment	90%	85%	90%	61%	25%

Condition Level of the Bridges

Percentage of substandard bridges

	2020	2018	2016
State Policy-minimum percentage	7%	10%	10%
Actual results condition assessment	1%	1%	2%

The estimated amount necessary to maintain and preserve infrastructure assets at target condition levels exceeded the actual amounts of expense incurred for fiscal year 2020 by \$25.8 million. Even though actual spending for maintenance and reservation of infrastructure assets fell below estimates, condition levels are expected to approximately meet or exceed the target condition levels for the roadway category. Additional information on the State's infrastructure can be found in the schedule of Infrastructure Condition and Maintenance Data in the Required Supplementary Information section to the financial statements.

Additional information on the State's capital assets can be found in Note 7 to the financial statements.

Long-term Debt Administration:

As of year-end, the State had \$3.1 billion in bonds and certificates of participation outstanding, compared to \$2.9 billion last year, an increase of \$195.2 million or 6.8% during the current fiscal year. This increase was due primarily to the issuance of additional bonds.

The most current bond ratings for the State's general obligation debt were AA+ from Fitch Ratings, Aa1 from Moody's Investors Service, and AA+ from S&P Global Ratings. These ratings are an indication of high-quality obligations and a reflection of sound financial management. The Constitution of the State limits the aggregate principal amount of the general obligation debt to 2% of the total reported assessed property value of the State. Exempt from this limitation are debts authorized by the Legislature that are incurred for the protection and preservation of, or for obtaining the benefits of, any property or natural resources within the State.

Additional information on the State's long-term debt obligations can be found in Note 9 to the financial statements and in the Statistical Section.

Requests for Information

This financial report is designed to provide a general overview of the State of Nevada's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: State of Nevada, Office of the State Controller, 101 N. Carson Street, Suite 5, Carson City, NV 89701 or visit our website at: www.controller.nv.gov.

BASIC FINANCIAL SECTION

Statement of Net Position

June 30, 2020 (Expressed in Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and pooled investments	\$ 3,340,767	\$ 1,218,034	\$ 4,558,801	\$ 215,857
Investments	362,648	577,765	940,413	1,500,901
Internal balances	(1,566)	1,566	-	-
Due from component unit	24,361	-	24,361	-
Due from primary government	-	-	-	190,843
Accounts receivable	135,072	5,384	140,456	109,308
Taxes/assessments receivable	1,215,005	288,688	1,503,693	-
Intergovernmental receivables	629,061	916,815	1,545,876	58,657
Accrued interest and dividends	10,913	30,932	41,845	125
Contracts receivable	-	36,642	36,642	-
Mortgages receivable	-	667,198	667,198	-
Notes/loans receivable	98,283	449,301	547,584	6,702
Capital lease receivable	46,355	-	46,355	-
Other receivables	64	-	64	8,416
Inventory	31,196	1,673	32,869	5,515
Prepaid expenses	4,492	85	4,577	26,061
<i>Restricted assets:</i>				
Cash	3,323	-	3,323	100,142
Investments	-	150,974	150,974	14,924
Other assets	4	5	9	96,677
<i>Capital assets:</i>				
Land, infrastructure and construction in progress	9,573,854	568	9,574,422	363,318
Other capital assets, net	1,464,766	12,469	1,477,235	2,186,991
Total assets	16,938,598	4,358,099	21,296,697	4,884,437
Deferred Outflows of Resources				
Deferred charge on refunding	40,021	212	40,233	11,193
Pension related amounts	415,644	7,646	423,290	83,110
OPEB related amounts	49,637	837	50,474	30,103
Total deferred outflows of resources	505,302	8,695	513,997	124,406
Liabilities				
Accounts payable	1,230,711	1,141,520	2,372,231	46,846
Accrued payroll and related liabilities	71,991	1,242	73,233	85,969
Intergovernmental payables	340,622	50,192	390,814	-
Interest payable	16,069	5,012	21,081	15,539
Due to component units	74,417	1	74,418	-
Due to primary government	-	-	-	24,361
Contracts/retentions payable	57,690	-	57,690	-
Unearned revenues	807,265	12,570	819,835	59,407
Other liabilities	203,697	11	203,708	83,890
<i>Long-term liabilities:</i>				
<i>Portion due or payable within one year:</i>				
Reserve for losses	108,950	-	108,950	-
Obligations under capital leases	3,724	-	3,724	2,854
Compensated absences	88,175	1,717	89,892	43,091
Tuition benefits payable	-	19,182	19,182	-
Bonds payable	218,184	65,117	283,301	70,416
Certificates of participation payable	3,600	-	3,600	-
Pollution remediation obligations	725	-	725	-
<i>Portion due or payable after one year:</i>				
Federal advances	-	-	-	5,370
Reserve for losses	43,964	-	43,964	-
Obligations under capital leases	7,543	-	7,543	49,008
Net pension liability	2,247,793	42,341	2,290,134	420,022

Statement of Net Position

June 30, 2020 (Expressed in Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Net OPEB liability	794,677	15,611	810,288	571,535
Compensated absences	28,205	503	28,708	21,741
Tuition benefits payable	-	187,163	187,163	-
Bonds payable	1,815,889	895,499	2,711,388	748,749
Certificates of participation payable	70,987	-	70,987	-
Unearned revenue	-	-	-	42,247
Pollution remediation obligations	4,275	-	4,275	-
Total liabilities	8,239,153	2,437,681	10,676,834	2,291,045
Deferred Inflows of Resources				
Pension related amounts	219,905	4,001	223,906	33,105
OPEB related amounts	48,278	948	49,226	34,722
Taxes	105	-	105	-
Fines and forfeitures	941	-	941	-
Lease revenue	-	-	-	6,526
Split-interest agreements	-	-	-	2,465
Service concession arrangement	-	-	-	1,265
Total deferred inflows of resources	269,229	4,949	274,178	78,083
Net Position				
Net investment in capital assets	9,581,627	5,627	9,587,254	1,805,267
Restricted for:				
Unemployment compensation	-	1,036,741	1,036,741	-
Tuition contract benefits	-	141,934	141,934	-
Security of outstanding obligations	-	172,185	172,185	-
Workers' compensation	-	28,057	28,057	-
Capital projects	-	-	-	192,159
Debt service	27,655	-	27,655	32,179
Education - K to 12	5,702	-	5,702	3,681
Transportation	454,058	-	454,058	-
Recreation and resource development	45,288	-	45,288	-
Law, justice and public safety	64,527	-	64,527	-
Health services	295,630	-	295,630	-
Regulation of business	33,107	2	33,109	-
Scholarships	-	-	-	511,227
Loans	-	479,928	479,928	6,564
Research and development	-	-	-	11,811
Other purposes	282	-	282	5,877
Funds held as permanent investments:				
Nonexpendable	383,664	-	383,664	445,177
Expendable	22	-	22	-
Unrestricted (deficit)	(1,956,044)	59,690	(1,896,354)	(374,227)
Total net position	\$ 8,935,518	\$ 1,924,164	\$ 10,859,682	\$ 2,639,715

The notes to the financial statements are an integral part of this statement.

Statement of Activities

For the Year Ended June 30, 2020 (Expressed in Thousands)

Function/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activities	Total	
Primary Government								
<i>Governmental activities:</i>								
General government	\$ 262,523	\$ 234,368	\$ 104,704	\$ -	\$ 76,549	\$ -	\$ 76,549	\$ -
Health services	4,275,154	165,324	3,318,212	-	(791,618)	-	(791,618)	-
Social services	1,886,634	53,530	1,219,708	-	(613,396)	-	(613,396)	-
Education - K-12 state support	1,803,605	-	5,680	-	(1,797,925)	-	(1,797,925)	-
Education - K-12 administrative	638,858	2,839	297,490	-	(338,529)	-	(338,529)	-
Education - higher education	696,982	-	-	-	(696,982)	-	(696,982)	-
Law, justice and public safety	865,199	248,853	67,971	16,583	(531,792)	-	(531,792)	-
Regulation of business	312,520	94,024	175,090	-	(43,406)	-	(43,406)	-
Transportation	553,452	48,650	355,548	10,256	(138,998)	-	(138,998)	-
Recreation and resource development	184,811	51,225	47,260	893	(85,433)	-	(85,433)	-
Interest on long-term debt	71,861	-	636	-	(71,225)	-	(71,225)	-
Unallocated depreciation	2,439	-	-	-	(2,439)	-	(2,439)	-
Total governmental activities	<u>11,554,038</u>	<u>898,813</u>	<u>5,592,299</u>	<u>27,732</u>	<u>(5,035,194)</u>	<u>-</u>	<u>(5,035,194)</u>	<u>-</u>
<i>Business-type activities:</i>								
Unemployment insurance	5,474,097	4,946	3,902,099	-	-	(1,567,052)	(1,567,052)	-
Housing	35,647	31,677	13,689	-	-	9,719	9,719	-
Water loans	5,758	9,750	19,226	-	-	23,218	23,218	-
Workers' compensation and safety	42,469	50,181	4,249	-	-	11,961	11,961	-
Higher education tuition	11,167	11,709	12,881	-	-	13,423	13,423	-
Other	32,631	34,604	344	-	-	2,317	2,317	-
Total business-type activities	<u>5,601,769</u>	<u>142,867</u>	<u>3,952,488</u>	<u>-</u>	<u>-</u>	<u>(1,506,414)</u>	<u>(1,506,414)</u>	<u>-</u>
Total primary government	<u>\$ 17,155,807</u>	<u>\$ 1,041,680</u>	<u>\$ 9,544,787</u>	<u>\$ 27,732</u>	<u>(5,035,194)</u>	<u>(1,506,414)</u>	<u>(6,541,608)</u>	<u>-</u>
Total component units	<u>\$ 2,168,079</u>	<u>\$ 812,266</u>	<u>\$ 537,832</u>	<u>\$ 1,551</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(816,430)</u>

General Revenues:

Taxes:

Gaming taxes	868,899	-	868,899	-
Sales and use taxes	1,272,268	-	1,272,268	-
Modified business taxes	666,232	-	666,232	-
Insurance premium taxes	450,749	-	450,749	-
Cigarette taxes	156,695	-	156,695	-
Commerce taxes	206,609	-	206,609	-
Property and transfer taxes	118,210	-	118,210	-
Lodging taxes	19,088	-	19,088	-
Motor and special fuel taxes	2,190	-	2,190	-
Other taxes	461,314	415	461,729	-
Restricted for unemployment compensation:				
Other taxes	-	676,591	676,591	-

Restricted for general government purposes:				
Settlement income	1,292	-	1,292	-
Restricted for health services purposes:				
Other taxes	59,606	-	59,606	-
Restricted for social services purposes:				
Other taxes	14,627	-	14,627	-
Restricted for educational purposes:				
Sales and use taxes	229,778	-	229,778	-
Other taxes	60,410	-	60,410	-
Lodging taxes	138,011	-	138,011	-
Restricted for law, justice and public safety:				
Other	2,016	-	2,016	-
Other taxes	58	-	58	-
Restricted for regulation of business:				
Other taxes	4,365	-	4,365	-
Restricted for transportation purposes:				
Motor and special fuel taxes	238,863	-	238,863	-
Other taxes	5,390	-	5,390	-
Restricted for recreation and resources development:				
Other taxes	704	-	704	-
Settlement income	414	-	414	-
Restricted for debt service purposes:				
Property and transfer taxes	176,447	-	176,447	-
Motor and special fuel taxes	74,606	-	74,606	-
Other	4,929	-	4,929	-
Settlement income	37,561	-	37,561	-
Unrestricted investment earnings	45,763	-	45,763	46,306
Gain on sale of assets	-	1	1	18,651
Other general revenues	146,285	-	146,285	44,786
Contributions to permanent funds	16,589	-	16,589	13,504
Payments from State of Nevada	-	-	-	775,797
Transfers	17,929	(17,929)	-	-
Total general revenues, contributions, payments and transfers	<u>5,497,897</u>	<u>659,078</u>	<u>6,156,975</u>	<u>899,044</u>
Change in net position	<u>462,703</u>	<u>(847,336)</u>	<u>(384,633)</u>	<u>82,614</u>
Net position - beginning	8,466,018	2,773,390	11,239,408	2,557,101
Net position restatement	6,797	(1,890)	4,907	-
Net position - beginning (as restated)	<u>8,472,815</u>	<u>2,771,500</u>	<u>11,244,315</u>	<u>2,557,101</u>
Net position - ending	<u>\$ 8,935,518</u>	<u>\$ 1,924,164</u>	<u>\$ 10,859,682</u>	<u>\$ 2,639,715</u>

The notes to the financial statements are an integral part of this statement.

[Page Intentionally Left Blank]

Balance Sheet

Governmental Funds

June 30, 2020

	General Fund	State Highway	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 1,925,535,071	\$ 522,033,333	\$ 663,834,090	\$ 3,111,402,494
Cash in custody of other officials	5,423,569	3,672,781	10,674,008	19,770,358
Investments	17,028,133	-	345,620,282	362,648,415
<i>Receivables:</i>				
Accounts receivable	63,140,736	22,577,549	29,456,452	115,174,737
Taxes receivable	1,172,179,581	40,794,517	2,030,999	1,215,005,097
Intergovernmental receivables	561,488,124	20,404,479	38,131,151	620,023,754
Accrued interest and dividends	9,530,306	-	1,382,957	10,913,263
Notes/loans receivable	14,543,207	-	83,680,000	98,223,207
Capital lease receivable	-	-	46,355,000	46,355,000
Other receivables	64,234	-	-	64,234
Due from other funds	128,835,656	35,222,700	100,678,868	264,737,224
Due from fiduciary funds	81,149	-	1,221,195	1,302,344
Due from component units	209,853	41	24,132,107	24,342,001
Inventory	7,960,529	22,515,416	478,727	30,954,672
Advances to other funds	3,973,917	3,469,892	-	7,443,809
Restricted cash	3,323,313	-	-	3,323,313
Prepaid items	3,801,723	382,066	94,665	4,278,454
Total assets	\$ 3,917,119,101	\$ 671,072,774	\$ 1,347,770,501	\$ 5,935,962,376
Liabilities				
<i>Accounts payable and accruals:</i>				
Accounts payable	\$ 607,825,038	\$ 34,889,718	\$ 8,038,344	\$ 650,753,100
Accrued payroll and related liabilities	50,958,861	16,594,316	2,729,721	70,282,898
Intergovernmental payables	305,347,918	34,425,756	779,850	340,553,524
Contracts/retentions payable	1,014,178	28,724,716	27,951,156	57,690,050
Due to other funds	81,227,979	16,507,557	174,807,873	272,543,409
Due to fiduciary funds	571,164,882	39,649	13,697	571,218,228
Due to component units	13,893,508	270,977	60,240,553	74,405,038
Unearned revenues	802,043,061	31,093	1,700,686	803,774,840
Other liabilities	179,354,776	7,377,717	16,964,448	203,696,941
Total liabilities	2,612,830,201	138,861,499	293,226,328	3,044,918,028
Deferred Inflows of Resources				
<i>Unavailable revenue:</i>				
Taxes	197,537,346	1,347,105	383,386	199,267,837
Intergovernmental	273,833,721	-	-	273,833,721
Licenses, fees and permits	1,037,136	3,352,674	199	4,390,009
Sales and charges for services	6,878,994	720,829	-	7,599,823
Settlement income	-	-	17,408,905	17,408,905
Lease principal payments	-	-	46,355,000	46,355,000
Interest	1,359,007	408,267	761,719	2,528,993
Other	17,803,306	3,347,810	1,108,116	22,259,232
Taxes	104,903	-	-	104,903
Fines and forfeitures	941,334	-	-	941,334
Total deferred inflows of resources	499,495,747	9,176,685	66,017,325	574,689,757
Fund Balances				
Nonspendable	29,476,341	22,897,482	384,237,470	436,611,293
Restricted	102,345,474	444,409,614	178,734,666	725,489,754
Committed	626,066,413	55,727,494	425,554,712	1,107,348,619
Assigned	13,900,197	-	-	13,900,197
Unassigned	33,004,728	-	-	33,004,728
Total fund balances	804,793,153	523,034,590	988,526,848	2,316,354,591
Total liabilities, deferred inflows of resources and fund balances	\$ 3,917,119,101	\$ 671,072,774	\$ 1,347,770,501	\$ 5,935,962,376

The notes to the financial statements are an integral part of this statement.

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

June 30, 2020

Total fund balances - governmental funds		\$ 2,316,354,591
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Land	\$ 173,229,949	
Construction in progress	2,597,711,873	
Infrastructure assets	5,842,526,696	
Rights-of-way	959,352,572	
Buildings	1,944,881,059	
Improvements other than buildings	160,986,290	
Furniture and equipment	450,394,257	
Software costs	308,607,615	
Accumulated depreciation/amortization	<u>(1,428,738,409)</u>	
Total capital assets		11,008,951,902
Some of the State's revenues collected after year-end are not available soon enough to pay for the current period's expenditures and, therefore, are reported as unavailable deferred inflows of resources in the funds.		
		573,643,520
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the statement of net position.		
		17,284,433
The loss on early retirement of debt is reported as a deferred outflow of resources on the statement of net position and is amortized over the original remaining life of the old debt, or the life of the new debt, whichever is less.		
		40,021,152
Deferred outflow of resources related to pensions are not reported in the governmental funds.		
		405,195,892
Deferred outflow of resources related to other post-employment benefits are not reported in the governmental funds.		
		48,493,079
Deferred inflow of resources related to pensions are not reported in the governmental funds.		
		(214,343,274)
Deferred inflow of resources related to other post-employment benefits are not reported in the governmental funds.		
		(46,988,348)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Net pension liability	(2,190,249,951)	
Net OPEB liability	(773,450,462)	
Bonds payable	(2,031,389,754)	
Accrued interest on bonds	(16,069,334)	
Certificates of participation	(74,587,339)	
Capital leases	(9,871,233)	
Compensated absences	(112,477,041)	
Pollution remediation liability	<u>(5,000,000)</u>	
Total long-term liabilities		(5,213,095,114)
Net position of governmental activities		<u>\$ 8,935,517,833</u>

The notes to the financial statements are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Fiscal Year Ended June 30, 2020

	General Fund	State Highway	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Gaming taxes, fees, licenses	\$ 856,816,611	\$ -	\$ 11,734,123	\$ 868,550,734
Sales taxes	1,493,717,694	-	-	1,493,717,694
Modified business taxes	642,603,267	-	-	642,603,267
Insurance premium taxes	450,738,957	-	-	450,738,957
Lodging taxes	138,010,767	-	-	138,010,767
Cigarette taxes	156,694,742	-	-	156,694,742
Commerce taxes	204,983,790	-	-	204,983,790
Property and transfer taxes	103,064,985	-	191,591,221	294,656,206
Motor and special fuel taxes	2,190,399	238,863,155	74,605,842	315,659,396
Other taxes	431,520,916	126,331,069	51,728,514	609,580,499
Intergovernmental	5,273,127,125	384,787,472	114,368,423	5,772,283,020
Licenses, fees and permits	379,278,906	210,644,497	22,304,966	612,228,369
Sales and charges for services	67,688,334	17,777,061	21,585,098	107,050,493
Interest and investment income	49,745,192	15,758,342	35,688,858	101,192,392
Settlement income	1,390,300	-	39,046,996	40,437,296
Land sales	-	-	11,321,964	11,321,964
Other	57,351,860	24,658,713	22,512,332	104,522,905
Total revenues	10,308,923,845	1,018,820,309	596,488,337	11,924,232,491
Expenditures				
<i>Current:</i>				
General government	198,362,863	-	39,565,075	237,927,938
Health services	4,269,151,798	-	9,180	4,269,160,978
Social services	1,774,592,611	-	91,512,982	1,866,105,593
Education - K-12 state support	1,803,605,382	-	-	1,803,605,382
Education - K-12 administrative	633,392,932	-	4,923,268	638,316,200
Education - higher education	667,273,551	-	50,537,990	717,811,541
Law, justice and public safety	588,163,963	203,272,036	32,226,689	823,662,688
Regulation of business	289,108,182	-	20,353,033	309,461,215
Transportation	-	768,335,973	-	768,335,973
Recreation and resource development	163,565,863	-	26,424,818	189,990,681
Capital outlay	-	-	96,282,332	96,282,332
<i>Debt service:</i>				
Principal	2,888,296	-	173,340,000	176,228,296
Interest, fiscal charges	598,413	-	93,100,999	93,699,412
Debt issuance costs	-	-	645,946	645,946
Total expenditures	10,390,703,854	971,608,009	628,922,312	11,991,234,175
Excess (deficiency) of revenues over (under) expenditures	(81,780,009)	47,212,300	(32,433,975)	(67,001,684)
Other Financing Sources				
Bonds issued	-	-	116,245,000	116,245,000
Refunding bonds issued	-	-	43,925,000	43,925,000
Premium on bonds issued	-	-	19,687,000	19,687,000
Payment to refunded bond agent	-	-	(57,250,172)	(57,250,172)
Sale of capital assets	96,472	-	-	96,472
Transfers in	128,586,519	30,530,449	113,030,040	272,147,008
Transfers out	(50,796,830)	(16,889,349)	(186,806,802)	(254,492,981)
Total other financing sources	77,886,161	13,641,100	48,830,066	140,357,327
Net change in fund balances	(3,893,848)	60,853,400	16,396,091	73,355,643
Fund balances, July 1	808,687,001	462,181,190	972,130,757	2,242,998,948
Fund balances, June 30	\$ 804,793,153	\$ 523,034,590	\$ 988,526,848	\$ 2,316,354,591

The notes to the financial statements are an integral part of this statement.

[Page Intentionally Left Blank]

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Fiscal Year Ended June 30, 2020

Net change in fund balances - total governmental funds	\$	73,355,643
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, the amounts are:		
Capital outlay	\$ 371,513,711	
Depreciation expense	<u>(93,468,494)</u>	
Excess of capital outlay over depreciation expense		278,045,217
Debt proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the statement of net assets. In the current period, proceeds were received from:		
Bonds issued	(116,245,000)	
Refunding bonds issued	(43,925,000)	
Premiums on debt issued	<u>(19,687,000)</u>	
Total bond proceeds		(179,857,000)
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year, these amounts consist of:		
Bond principal retirement	169,587,677	
Certificates of participation retirement	3,239,000	
Payments to the bond refunding agent	57,250,172	
Capital lease payments	<u>2,529,296</u>	
Total long-term debt repayment		232,606,145
Internal service funds are used to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is reported with governmental activities.		
		27,439,950
Because some revenues will not be collected for several months after the State's fiscal year end, they are not considered "available" and are not reported as revenues in the governmental funds. Unavailable deferred inflows of resources changed by this amount		
		49,294,486
In the statement of activities, the gain or loss on the sale of assets is reported, whereas in the governmental funds, only the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the asset sold.		
		341,791
Amortization of deferred loss on early retirement of debt is reported as an expense for the statement of activities.		
		(10,280,821)
Amortization of premiums on bonds and certificates of participation is reported as a reduction of interest expense for the statement of activities.		
		33,967,059
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of the net change in:		
Pension costs, net	(57,583,713)	
Other post-employment benefit costs, net	4,556,972	
Accrued interest payable	1,040,563	
Compensated absences	(11,328,230)	
Long term due to component unit	20,830,000	
Settlement agreement liability	3,400	
Pollution remediation liability	<u>272,000</u>	
Total additional expenditures		(42,209,008)
Net change in net position - governmental activities	\$	<u>462,703,462</u>

The notes to the financial statements are an integral part of this statement.

Statement of Net Position

Proprietary Funds

June 30, 2020

	Enterprise Funds					Total Enterprise Funds	Internal Service Funds
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Nonmajor Enterprise Funds		
Assets							
Current assets:							
<i>Cash and pooled investments:</i>							
Cash with treasurer	\$ 1,805,556	\$ -	\$ 150,611,474	\$ 3,638,398	\$ 83,609,975	\$ 239,665,403	\$ 209,594,106
Cash in custody of other officials	-	976,933,945	-	1,212,139	222,650	978,368,734	-
Investments	95,805,037	-	-	307,125,074	-	402,930,111	-
<i>Receivables:</i>							
Accounts receivable	-	-	-	-	5,377,218	5,377,218	6,894,692
Assessments receivable	-	288,688,280	-	-	-	288,688,280	-
Intergovernmental receivables	-	915,956,800	286,150	-	572,132	916,815,082	9,037,011
Contracts receivable	-	-	-	8,506,085	-	8,506,085	-
Mortgages receivable	59,452,954	-	-	-	-	59,452,954	-
Accrued interest and dividends	26,078,841	-	4,466,072	386,758	-	30,931,671	-
Notes/loans receivable	-	-	34,717,211	-	-	34,717,211	5,000
Due from other funds	38,830	16	902,520	19,967	3,825,103	4,786,436	11,536,626
Due from fiduciary funds	-	-	-	-	7,015	7,015	11,699,781
Due from component units	-	-	-	-	-	-	18,563
Inventory	-	-	-	-	1,672,923	1,672,923	241,547
Prepaid items	-	-	593	119	84,484	85,196	213,165
<i>Restricted assets:</i>							
Investments	72,879,494	-	-	-	-	72,879,494	-
Total current assets	256,060,712	2,181,579,041	190,984,020	320,888,540	95,371,500	3,044,883,813	249,240,491
Noncurrent assets:							
Investments	174,834,925	-	-	-	-	174,834,925	-
<i>Receivables:</i>							
Contracts receivable	-	-	-	28,136,144	-	28,136,144	-
Mortgages receivable	607,744,751	-	-	-	-	607,744,751	-
Notes/loans receivable	50,382,588	-	364,201,679	-	-	414,584,267	55,000
<i>Restricted assets:</i>							
Investments	78,094,316	-	-	-	-	78,094,316	-
Other assets	-	-	-	-	5,000	5,000	3,761
<i>Capital assets:</i>							
Land	-	-	-	-	567,812	567,812	1,032,737
Buildings	-	-	-	-	1,406,840	1,406,840	20,392,485
Improvements other than buildings	-	-	-	-	5,638,507	5,638,507	3,839,621
Furniture and equipment	798,555	-	5,910	168,025	16,172,552	17,145,042	56,439,736
Software costs	-	-	-	-	-	-	16,134,510
Less accumulated depreciation/amortization	(692,811)	-	(5,910)	(144,762)	(10,878,550)	(11,722,033)	(68,171,498)
Total noncurrent assets	911,162,324	-	364,201,679	28,159,407	12,912,161	1,316,435,571	29,726,352
Total assets	1,167,223,036	2,181,579,041	555,185,699	349,047,947	108,283,661	4,361,319,384	278,966,843
Deferred Outflows of Resources							
Deferred charge on refunding	-	-	36,138	-	175,883	212,021	-
Pensions related amounts	387,686	-	106,669	60,453	7,091,218	7,646,026	10,447,699
OPEB related amounts	42,612	-	12,225	6,486	775,378	836,701	1,143,675
Total deferred outflows of resources	430,298	-	155,032	66,939	8,042,479	8,694,748	11,591,374

(continued)

	Enterprise Funds						Internal Service Funds
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Nonmajor Enterprise Funds	Total Enterprise Funds	
Liabilities							
Current liabilities:							
<i>Accounts payable and accruals:</i>							
Accounts payable	\$ 44,076,371	\$ 1,094,853,900	\$ 86,707	\$ 173,493	\$ 2,268,352	\$ 1,141,458,823	\$ 5,302,262
Accrued payroll and related liabilities	61,419	-	28,625	6,516	1,145,197	1,241,757	1,708,572
Interest payable	3,780,366	-	1,173,768	-	58,215	5,012,349	-
Intergovernmental payables	-	49,962,329	5,114	-	224,871	50,192,314	68,096
Bank overdraft	-	-	-	-	-	-	3,428,332
Due to other funds	53,707	22,301	232,675	109,455	3,018,880	3,437,018	5,079,859
Due to fiduciary funds	-	-	-	-	60,786	60,786	8,936
Due to component units	-	-	-	-	650	650	11,500
Unearned revenues	-	-	-	-	12,569,920	12,569,920	3,489,755
Other liabilities	-	-	-	-	11,450	11,450	-
<i>Short-term portion of long-term liabilities:</i>							
Reserve for losses	-	-	-	-	-	-	108,950,006
Compensated absences	102,118	-	25,865	15,414	1,573,457	1,716,854	2,722,898
Benefits payable	-	-	-	19,181,635	-	19,181,635	-
Bonds payable	52,664,592	-	12,093,860	-	359,039	65,117,491	513,323
Obligations under capital leases	-	-	-	-	-	-	1,109,539
Total current liabilities	100,738,573	1,144,838,530	13,646,614	19,486,513	21,290,817	1,300,001,047	132,393,078
Noncurrent liabilities:							
Advances from other funds	-	-	-	-	124,020	124,020	7,319,789
Reserve for losses	-	-	-	-	-	-	43,964,147
Net pension obligation	2,154,048	-	585,322	341,136	39,260,256	42,340,762	57,542,725
Net OPEB liability	795,012	-	228,089	121,004	14,466,437	15,610,542	21,226,837
Compensated absences	31,848	-	10,601	6,269	454,706	503,424	1,180,197
Benefits payable	-	-	-	187,163,455	-	187,163,455	-
Bonds payable	827,575,483	-	60,872,635	-	7,050,403	895,498,521	2,169,634
Obligations under capital leases	-	-	-	-	-	-	285,456
Total noncurrent liabilities	830,556,391	-	61,696,647	187,631,864	61,355,822	1,141,240,724	133,688,785
Total liabilities	931,294,964	1,144,838,530	75,343,261	207,118,377	82,646,639	2,441,241,771	266,081,863
Deferred Inflows of Resources							
Pension related amounts	203,557	-	55,312	32,238	3,710,093	4,001,200	5,562,053
OPEB related amounts	48,299	-	13,857	7,351	878,854	948,361	1,289,268
Total deferred inflows of resources	251,856	-	69,169	39,589	4,588,947	4,949,561	6,851,321
Net Position							
Net investment in capital assets	105,744	-	-	23,263	5,497,719	5,626,726	25,619,238
<i>Restricted for:</i>							
Unemployment compensation	-	1,036,740,511	-	-	-	1,036,740,511	-
Tuition contract benefits	-	-	-	141,933,657	-	141,933,657	-
Security of outstanding obligations	172,185,496	-	-	-	-	172,185,496	-
Workers' compensation	-	-	-	-	28,057,217	28,057,217	-
Revolving loans	-	-	479,928,301	-	-	479,928,301	-
Regulation of business	-	-	-	-	2,000	2,000	-
Unrestricted (deficit)	63,815,274	-	-	-	(4,466,382)	59,348,892	(7,994,205)
Total net position	\$ 236,106,514	\$ 1,036,740,511	\$ 479,928,301	\$ 141,956,920	\$ 29,090,554	\$ 1,923,822,800	\$ 17,625,033
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time.						341,100	
Net position of business-type activities						<u>\$ 1,924,163,900</u>	

The notes to the financial statements are an integral part of this statement.

[Page Intentionally Left Blank]

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Fiscal Year Ended June 30, 2020

	Enterprise Funds						Internal Service Funds
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Nonmajor Enterprise Funds	Total Enterprise Funds	
Operating Revenues							
Net premium income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 416,187,991
Sales	-	-	-	11,631,484	6,650,749	18,282,233	2,627,187
Assessments	-	676,591,141	-	-	414,783	677,005,924	-
Charges for services	-	-	455,000	77,400	13,594,166	14,126,566	61,844,140
Rental income	-	-	-	-	144,200	144,200	22,024,302
Interest income on loans/notes	23,820,936	-	9,295,167	-	-	33,116,103	-
Federal government	-	3,858,426,706	16,122,978	-	-	3,874,549,684	-
Licenses, fees and permits	-	-	-	-	45,594,299	45,594,299	-
Fines	-	-	-	-	4,463,373	4,463,373	-
Other	7,855,925	4,945,676	-	-	2,336,634	15,138,235	329,221
Total operating revenues	31,676,861	4,539,963,523	25,873,145	11,708,884	73,198,204	4,682,420,617	503,012,841
Operating Expenses							
Salaries and benefits	1,605,434	-	458,725	228,370	40,739,820	43,032,349	44,055,487
Operating	1,686,116	-	3,667,938	726,387	13,477,739	19,558,180	42,552,268
Claims and benefits expense	-	5,474,093,872	-	10,201,469	6,417,273	5,490,712,614	319,202,120
Interest on bonds payable	28,869,851	-	1,295,041	-	-	30,164,892	-
Materials or supplies used	-	-	-	-	2,091,122	2,091,122	97,794
Servicers' fees	11,816	-	-	-	-	11,816	-
Depreciation	36,255	-	-	16,745	834,658	887,658	6,030,788
Bond issuance costs	2,216,663	-	347,005	-	-	2,563,668	-
Insurance premiums	-	-	-	-	-	-	66,896,631
Total operating expenses	34,426,135	5,474,093,872	5,768,709	11,172,971	63,560,612	5,589,022,299	478,835,088
Operating income (loss)	(2,749,274)	(934,130,349)	20,104,436	535,913	9,637,592	(906,601,682)	24,177,753
Nonoperating Revenues (Expenses)							
Interest and investment income	11,878,517	43,672,284	3,103,041	12,880,590	1,836,986	73,371,418	3,751,217
Interest expense	-	-	-	-	(270,657)	(270,657)	(67,227)
Federal grant revenue	1,810,683	-	-	-	2,756,111	4,566,794	-
Federal grant expense	(1,269,036)	-	-	-	-	(1,269,036)	-
Gain (loss) on disposal of assets	-	-	-	-	-	-	98,805
Total nonoperating revenues (expenses)	12,420,164	43,672,284	3,103,041	12,880,590	4,322,440	76,398,519	3,782,795
Income (loss) before transfers	9,670,890	(890,458,065)	23,207,477	13,416,503	13,960,032	(830,203,163)	27,960,548
Transfers							
Transfers in	-	-	2,230	793,692	1,825,308	2,621,230	2,531,054
Transfers out	-	(4,877,420)	(2,066,058)	-	(13,606,547)	(20,550,025)	(2,256,286)
Change in net position	9,670,890	(895,335,485)	21,143,649	14,210,195	2,178,793	(848,131,958)	28,235,316
Net position, July 1	226,435,624	1,933,966,433	458,784,652	127,746,725	26,911,761	-	(10,610,283)
Net position restatement	-	(1,890,437)	-	-	-	-	-
Net position, July 1 (as restated)	226,435,624	1,932,075,996	458,784,652	127,746,725	26,911,761	-	(10,610,283)
Net position, June 30	\$ 236,106,514	\$ 1,036,740,511	\$ 479,928,301	\$ 141,956,920	\$ 29,090,554	\$ -	\$ 17,625,033

Adjustment for the net effect of the current year activity
between the internal service funds and the enterprise funds.

Change in net position of business-type activities

795,466

\$ (847,336,492)

The notes to the financial statements are an integral part of this statement.

Statement of Cash Flows

Proprietary Funds

For the Fiscal Year Ended June 30, 2020

	Enterprise Funds						Internal Service Funds
	Major Funds						
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Nonmajor Enterprise Funds	Totals	
Cash flows from operating activities							
Receipts from customers and users	\$ -	\$ 599,802,784	\$ 454,840	\$ 13,721,879	\$ 69,171,049	\$ 683,150,552	\$ 70,985,917
Receipts for interfund services provided	487,660	2,031,203	-	1,064	2,404,616	4,924,543	400,389,106
Receipts from component units	-	-	-	-	-	-	14,650,739
Receipts of principal on loans/notes	35,975,036	-	-	-	-	35,975,036	5,000
Receipts of interest on loans/notes	21,043,792	-	-	-	-	21,043,792	-
Receipts from Federal government	-	2,998,951,653	16,066,916	-	-	3,015,018,569	-
Payments to suppliers, other governments and beneficiaries	(5,400,605)	(4,386,019,832)	(3,474,950)	(7,567,883)	(12,269,906)	(4,414,733,176)	(413,656,815)
Payments to employees	(1,478,464)	-	(448,127)	(213,969)	(39,394,426)	(41,534,986)	(41,638,241)
Payments for interfund services	(598,761)	-	(132,924)	(163,393)	(7,102,953)	(7,998,031)	(20,250,609)
Payments to component units	-	-	-	(7,922,748)	(20,630)	(7,943,378)	(170,156)
Purchase of loans and notes	(235,377,835)	-	-	-	-	(235,377,835)	-
Net cash provided by (used for) operating activities	(185,349,177)	(785,234,192)	12,465,755	(2,145,050)	12,787,750	(947,474,914)	10,314,941
Cash flows from noncapital financing activities							
Grant receipts	1,810,683	-	-	-	3,131,497	4,942,180	-
Proceeds from sale of bonds	295,537,601	-	42,197,677	-	-	337,735,278	-
Transfers and advances from other funds	(27)	-	2,230	869,982	435,783	1,307,968	10,948,848
Principal paid on noncapital debt	(46,095,395)	-	(10,720,000)	-	-	(56,815,395)	-
Interest paid on noncapital debt	(27,837,345)	-	(1,642,881)	-	-	(29,480,226)	-
Transfers and advances to other funds	-	-	(2,005,201)	-	(14,173,404)	(16,178,605)	(1,074,875)
Payments to other governments and organizations	(1,269,036)	-	-	-	-	(1,269,036)	-
Bond issuance costs	-	-	(347,005)	-	-	(347,005)	-
Net cash provided by (used for) noncapital financing activities	222,146,481	-	27,484,820	869,982	(10,606,124)	239,895,159	9,873,973
Cash flows from capital and related financing activities							
Proceeds from sale of capital assets	-	-	-	-	-	-	208,234
Purchase of capital assets	-	-	-	-	(327,334)	(327,334)	(7,477,078)
Principal paid on capital debt	-	-	-	-	(299,000)	(299,000)	(1,712,556)
Interest paid on capital debt	-	-	-	-	(302,963)	(302,963)	(67,227)
Net cash provided by (used for) capital and related financing activities	-	-	-	-	(929,317)	(929,317)	(9,048,627)
Cash flows from investing activities							
Proceeds from sale of investments	718,504,746	-	-	3,205,939	-	721,710,685	-
Receipts of principal on loans/notes	-	-	33,914,302	-	-	33,914,302	-
Purchase of investments	(764,845,648)	-	-	(10,356,009)	-	(775,201,657)	-
Purchase of loans and notes	-	-	(33,681,806)	-	-	(33,681,806)	-
Interest, dividends and gains (losses)	10,146,194	43,672,284	12,486,140	5,325,741	2,046,774	73,677,133	4,286,191
Net cash provided by (used for) investing activities	(36,194,708)	43,672,284	12,718,636	(1,824,329)	2,046,774	20,418,657	4,286,191
Net increase (decreases) in cash	602,596	(741,561,908)	52,669,211	(3,099,397)	3,299,083	(688,090,415)	15,426,478
Cash and cash equivalents, July 1	1,202,960	1,718,495,853	97,942,263	7,949,934	80,533,542	1,906,124,552	194,167,628
Cash and cash equivalents, June 30	\$ 1,805,556	\$ 976,933,945	\$ 150,611,474	\$ 4,850,537	\$ 83,832,625	\$ 1,218,034,137	\$ 209,594,106

(continued)

	Enterprise Funds						
	Major Funds						Internal Service Funds
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Nonmajor Enterprise Funds	Totals	
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities							
Operating income (loss)	\$ (2,749,274)	\$ (934,130,349)	\$ 20,104,436	\$ 535,913	\$ 9,637,592	\$ (906,601,682)	\$ 24,177,753
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities							
Depreciation	36,255	-	-	16,745	834,658	887,658	6,030,788
Interest on loans	-	-	(9,295,167)	-	-	(9,295,167)	-
Interest on bonds payable	28,869,851	-	1,295,041	-	-	30,164,892	-
Debt issuance costs	-	-	347,005	-	-	347,005	-
Decrease (increase) in loans and notes receivable	(202,090,195)	-	-	-	-	(202,090,195)	5,000
Decrease (increase) in accrued interest and receivables	(25,904,305)	(982,467,263)	(56,222)	2,014,059	(1,871,127)	(1,008,284,858)	(17,783,534)
Decrease (increase) in inventory, deferred charges, other assets	-	-	(132)	(3)	322,319	322,184	76,977
Decrease (increase) in deferred outflow of resources	(39,761)	-	(9,117)	(4,922)	(586,238)	(640,038)	(893,104)
Increase (decrease) in accounts payable, accruals, other liabilities	16,361,522	1,131,363,420	63,903	(4,726,695)	2,827,486	1,145,889,636	(3,761,277)
Increase (decrease) in unearned revenues	-	-	-	-	248,588	248,588	(171,783)
Increase (decrease) in net pension liability	110,758	-	(3,043)	15,796	455,804	579,315	1,603,796
Increase (decrease) in net OPEB liability	5,263	-	7,354	(3,582)	106,909	115,944	(166,389)
Increase (decrease) in deferred inflows of resources	50,709	-	11,697	7,639	811,759	881,804	1,196,714
Total adjustments	(182,599,903)	148,896,157	(7,638,681)	(2,680,963)	3,150,158	(40,873,232)	(13,862,812)
Net cash provided by (used for) operating activities	\$ (185,349,177)	\$ (785,234,192)	\$ 12,465,755	\$ (2,145,050)	\$ 12,787,750	\$ (947,474,914)	\$ 10,314,941

The notes to the financial statements are an integral part of this statement.

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2020

	Pension and Other Employee Benefits Trust Funds	Investment Trust Funds	Private purpose trust funds	Custodial Funds
Assets				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 2,570,445	\$ -	\$ 9,450,538	\$ 64,749,248
Cash in custody of other officials	774,779,806	3,821,019	28,578,754	4,910,052
<i>Investments:</i>				
Investments	1,843,713	2,393,727,118	29,126,226,917	-
Fixed income securities	12,729,964,780	-	-	-
Marketable equity securities	18,986,672,050	-	-	-
International securities	9,344,950,306	-	-	-
Real estate	2,115,552,553	-	-	-
Alternative investments	2,635,864,456	-	-	-
Collateral on loaned securities	205,982,715	-	-	-
<i>Receivables:</i>				
Taxes receivable	-	-	-	67,467,363
Intergovernmental receivables	144,095,996	-	80,418	71
Accrued interest and dividends	143,898,330	15,537,002	803,646	-
Other receivables	2,655	-	-	102,481
Contributions receivables	-	-	23,768,884	-
Trades pending settlement	601,204,479	-	5,564,705	-
Due from other funds	26,749,277	-	159,685	544,378,988
Due from fiduciary funds	-	-	-	16,440
Due from component units	1,480,374	-	-	-
Other assets	4,131,236	-	-	-
Furniture and equipment	46,556,109	-	48,222	-
Less accumulated depreciation/amortization	(42,682,996)	-	(48,222)	-
Total assets	47,723,616,284	2,413,085,139	29,194,633,547	681,624,643
Liabilities				
<i>Accounts payable and accruals:</i>				
Accounts payable	21,109,624	84,964	3,799,877	1,360,201
Intergovernmental payables	-	35,667	18,602	671,461,199
Redemptions payable	-	-	16,252,064	-
Trades pending settlement	609,322,409	11,004,415	12,304,197	-
Bank overdraft	-	-	5,043,000	-
Obligations under securities lending	205,982,715	-	-	-
Due to other funds	11,699,781	9,384	1,299,975	-
Due to fiduciary funds	-	-	16,440	-
<i>Other liabilities:</i>				
Other liabilities	-	25,747	-	-
Total liabilities	848,114,529	11,160,177	38,734,155	672,821,400
Net Position				
<i>Restricted for:</i>				
Pension benefits	46,881,153,370	-	-	-
OPEB benefits	(5,651,615)	-	-	-
Pool participants	-	2,401,924,962	-	-
Individuals	-	-	29,155,899,392	8,803,243
Total net position	\$ 46,875,501,755	\$ 2,401,924,962	\$ 29,155,899,392	\$ 8,803,243

The notes to the financial statements are an integral part of this statement.

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Fiscal Year Ended June 30, 2020

	Pension and Other Employee Benefits Trust Funds	Investment Trust Funds	Private purpose trust funds	Custodial Funds
Additions				
<i>Contributions:</i>				
Employer	\$ 1,094,423,119	\$ -	\$ -	\$ -
Plan members	1,045,267,117	-	-	-
Participants	-	-	3,138,247,655	-
Repayment and purchase of service	67,539,938	-	-	-
Total contributions	2,207,230,174	-	3,138,247,655	-
<i>Investment income:</i>				
Net increase (decrease) in fair value of investments	2,168,850,144	28,665,674	(478,002)	-
Interest, dividends	911,196,672	43,860,421	1,086,743,381	4,150
Securities lending	4,086,256	-	-	-
Other	119,982,070	-	-	-
	3,204,115,142	72,526,095	1,086,265,379	4,150
Less investment expense:				
Other	(57,725,062)	(80,150)	-	-
Net investment income	3,146,390,080	72,445,945	1,086,265,379	4,150
<i>Other:</i>				
Investment from local governments	-	3,248,760,510	-	-
Taxes and fees collected for other governments	-	-	-	4,330,480,843
Child support collections	-	-	-	246,965,420
Other	3,150,847	496	-	2,954,522
Total other	3,150,847	3,248,761,006	-	4,580,400,785
Total additions	5,356,771,101	3,321,206,951	4,224,513,034	4,580,404,935
Deductions				
Principal redeemed	-	2,829,035,465	1,713,377,682	-
Benefit payments	2,862,019,445	-	26,678,611	161,827
Refunds	29,510,239	-	-	-
Contribution distributions	-	3,221,255	-	-
Administrative expense	12,584,878	489,806	39,473,637	-
Payment of taxes and fees to other governments	-	-	-	4,330,480,843
Child support payments	-	-	-	245,290,174
Restitution payments	-	-	-	2,008,392
Total deductions	2,904,114,562	2,832,746,526	1,779,529,930	4,577,941,236
Change in net position	2,452,656,539	488,460,425	2,444,983,104	2,463,699
Net position, July 1	44,422,845,216	1,913,464,537	26,710,916,288	-
Net position restatement	-	-	-	6,339,544
Net position, July 1 (as restated)	44,422,845,216	1,913,464,537	26,710,916,288	6,339,544
Net position, June 30	\$ 46,875,501,755	\$ 2,401,924,962	\$ 29,155,899,392	\$ 8,803,243

The notes to the financial statements are an integral part of this statement.

Combining Statement of Net Position Discretely Presented Component Units

June 30, 2020

	Major Component Units		Nonmajor Component Unit	Total
	Colorado River Commission	Nevada System of Higher Education	Nevada Capital Investment Corporation	
Assets				
Cash and pooled investments	\$ 18,434,731	\$ 197,422,000	\$ -	\$ 215,856,731
Investments	-	1,473,280,000	27,620,969	1,500,900,969
Due from primary government	111,976	190,731,212	-	190,843,188
Accounts receivable	1,825,184	107,482,788	-	109,307,972
Intergovernmental receivables	-	58,657,000	-	58,657,000
Accrued interest and dividends	111,977	-	12,569	124,546
Notes/loans receivable	-	6,702,000	-	6,702,000
Other receivables	-	8,416,000	-	8,416,000
Inventory	-	5,515,000	-	5,515,000
Prepaid expenses	26,061,227	-	-	26,061,227
<i>Restricted assets:</i>				
Cash	2,602,818	97,539,000	-	100,141,818
Investments	-	14,924,000	-	14,924,000
Other assets	-	96,677,000	-	96,677,000
<i>Capital assets:</i>				
Land, infrastructure and construction in progress	-	363,318,000	-	363,318,000
Other capital assets, net	45,172,737	2,141,818,000	-	2,186,990,737
Total assets	94,320,650	4,762,482,000	27,633,538	4,884,436,188
Deferred Outflows of Resources				
Deferred charge on refunding	-	11,193,000	-	11,193,000
Pension related amounts	1,083,150	82,027,000	-	83,110,150
OPEB related amounts	121,517	29,981,000	-	30,102,517
Total deferred outflows of resources	1,204,667	123,201,000	-	124,405,667
Liabilities				
Accounts payable	2,829,185	44,015,960	-	46,845,145
Accrued payroll and related liabilities	181,463	85,788,000	-	85,969,463
Interest payable	260,564	15,278,000	-	15,538,564
Due to primary government	154,917	253,040	23,952,607	24,360,564
Unearned revenues	3,213,751	56,193,000	-	59,406,751
Other liabilities	2,922,918	80,967,000	-	83,889,918
<i>Long-term liabilities:</i>				
<i>Portion due or payable within one year:</i>				
Obligations under capital leases	-	2,854,000	-	2,854,000
Compensated absences	328,966	42,762,000	-	43,090,966
Bonds payable	755,000	69,661,000	-	70,416,000
<i>Portion due or payable after one year:</i>				
Federal advances	-	5,370,000	-	5,370,000
Obligations under capital leases	-	49,008,000	-	49,008,000
Net pension liability	5,986,027	414,036,000	-	420,022,027
Net OPEB liability	2,267,165	569,268,000	-	571,535,165
Compensated absences	189,443	21,552,000	-	21,741,443
Bonds payable	25,847,118	722,902,000	-	748,749,118
Unearned revenue	42,247,331	-	-	42,247,331
Total liabilities	87,183,848	2,179,908,000	23,952,607	2,291,044,455
Deferred Inflows of Resources				
Lease revenue	-	6,526,000	-	6,526,000
Split-interest agreements	-	2,465,000	-	2,465,000
Service concession arrangement	-	1,265,000	-	1,265,000
Pension related amounts	565,680	32,539,000	-	33,104,680
OPEB related amounts	137,733	34,584,000	-	34,721,733
Total deferred inflows of resources	703,413	77,379,000	-	78,082,413
Net Position				
Net investment in capital assets	45,172,737	1,760,094,000	-	1,805,266,737
<i>Restricted for:</i>				
Capital projects	-	192,159,000	-	192,159,000
Debt service	-	32,179,000	-	32,179,000
Scholarships	-	511,227,000	-	511,227,000
Loans	-	6,564,000	-	6,564,000
Education - K to 12	-	-	3,680,931	3,680,931
Research and development	11,810,958	-	-	11,810,958
Other purposes	-	5,877,000	-	5,877,000
Funds held as permanent investments:				
Nonexpendable	-	445,177,000	-	445,177,000
Unrestricted (deficit)	(49,345,639)	(324,881,000)	-	(374,226,639)
Total net position	\$ 7,638,056	\$ 2,628,396,000	\$ 3,680,931	\$ 2,639,714,987

The notes to the financial statements are an integral part of this statement.

Combining Statement of Activities Discretely Presented Component Units

For the Fiscal Year Ended June 30, 2020

	<u>Major Component Units</u>		<u>Nonmajor Component Unit</u>	
	<u>Colorado River Commission</u>	<u>Nevada System of Higher Education</u>	<u>Nevada Capital Investment Corporation</u>	<u>Total</u>
Expenses	\$ 47,475,210	\$ 2,111,586,000	\$ 9,017,702	\$ 2,168,078,912
<i>Program revenue:</i>				
Charges for services	47,741,420	764,525,000	-	812,266,420
Operating grants and contributions	-	537,832,000	-	537,832,000
Capital grants and contributions	-	1,551,000	-	1,551,000
Total program revenue	47,741,420	1,303,908,000	-	1,351,649,420
<i>General revenues:</i>				
Unrestricted investment earnings	522,367	40,898,000	4,885,443	46,305,810
Gain on sale of assets	-	18,651,000	-	18,651,000
Other general revenues	70,191	44,716,000	-	44,786,191
Contributions to permanent funds	-	13,504,000	-	13,504,000
Payments from State of Nevada	-	775,797,000	-	775,797,000
Total general revenues, contributions and payments	592,558	893,566,000	4,885,443	899,044,001
Change in net position	858,768	85,888,000	(4,132,259)	82,614,509
Net position, July 1	6,779,288	2,542,508,000	7,813,190	2,557,100,478
Net position, June 30	\$ 7,638,056	\$ 2,628,396,000	\$ 3,680,931	\$ 2,639,714,987

The notes to the financial statements are an integral part of this statement.

Notes to the Financial Statements

For the Year Ended June 30, 2020

Index

Note 1. Summary of Significant Accounting Policies.....	39
Note 2. Budgetary and Legal Compliance.....	46
Note 3. Deposits and Investments.....	47
Note 4. Receivables.....	52
Note 5. Interfund Transactions.....	53
Note 6. Restricted Assets.....	56
Note 7. Capital Assets.....	56
Note 8. Capital Lease Receivable.....	58
Note 9. Short and Long -Term Obligations.....	59
Note 10. Pensions.....	65
Note 11. Postemployment Benefits Other than Pensions (OPEB).....	76
Note 12. Risk Management.....	80
Note 13. Fund Balances and Net Position.....	82
Note 14. Principal Tax Revenues.....	84
Note 15. Works of Art and Historical Treasures.....	85
Note 16. Tax Abatements.....	85
Note 17. Commitments and Contingencies.....	89
Note 18. Subsequent Events.....	91
Note 19. Accounting Changes and Restatements.....	94

Notes to the Financial Statements

For the Year Ended June 30, 2020

Note 1. Summary of Significant Accounting Policies

The accompanying financial statements of the State of Nevada (the State) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. Description of Government-wide Financial Statements

The Government-wide Financial Statements, which consist of the Statement of Net Position and the Statement of Activities, report information on all non-fiduciary activities of the primary government and its component units. All fiduciary activities, including component units that are fiduciary in nature, are reported only in the fund financial statements. Primary government activities are distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. Reporting Entity

For financial reporting purposes, the State's reporting entity includes the "primary government" and its "component units." The primary government includes all funds, departments, agencies, and those authorities that are considered an integral part of the State's activities. Component units are legally separate organizations for which the State's elected officials are financially accountable. The State's component units have a June 30 year-end.

The GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and either: 1) the ability of the State to impose its will on that organization; or 2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the State. When the State does not appoint a voting majority of an organization's governing body, GASB requires inclusion in the reporting entity based on financial accountability if: 1) the organization is both fiscally dependent on the State and there is the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the State; or 2) it would be misleading to exclude the organization.

Fiduciary Component Units: The following fiduciary component units are legally separate from the State. The State is financially accountable for these organizations since it appoints the voting majority of the boards and is able to impose its will on them through the ability to remove appointed members of the organization's governing board. Since these component units are fiduciary in nature, they are included only in the fund financial statements with the primary government's fiduciary funds. Therefore, these component units are excluded from the government-wide financial statements.

The *Public Employees' Retirement System* (PERS), the *Legislators' Retirement System* (LRS) and the *Judicial Retirement System* (JRS) are administered by a seven-member board appointed by the Governor. PERS is the administrator of a cost-sharing, multiple-employer, defined benefit public employees' retirement system established to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earning capacities have been removed or substantially impaired by age or disability. LRS is the administrator of a single-employer public employees' defined benefit retirement system established to provide a reasonable base income to Legislators at retirement. JRS is the administrator of an agent multiple-employer public employees' defined benefit retirement system established to provide a reasonable base income to justices of the Supreme Court, district judges, municipal court judges, and justices of the peace at retirement.

The *Retirement Benefits Investment Fund* (RBIF) was created for the sole purpose of providing an investment vehicle for monies belonging to either the State or local government other post employment benefit trust funds. RBIF is administered by the Retirement Benefits Investment Board, which consists of the same members as the Public Employees' Retirement Board.

Blended Component Unit: The *Nevada Real Property Corporation* (NRPC) is a legally separate organization. The State is financially accountable for NRPC since it appoints the board of directors, and NRPC provides a financial benefit to the State by providing financing services. NRPC was incorporated to finance certain construction projects which include office

Notes to the Financial Statements

For the Year Ended June 30, 2020

buildings, a transitional residential facility and a warehouse, all financed by the issuance of certificates of participation. Upon completion of construction, the NRPC leases the facilities to the State. Since the NRPC provides financing services solely to the State, these financial transactions are reported as part of the primary government using the blended method.

Discretely Presented Component Units: A component unit should be included in the reporting entity financial statements using the discrete presentation method if the component unit's governing body is not substantively the same as the governing body of the primary government, the component unit does not provide services entirely or almost entirely to the primary government, and the component unit's total debt outstanding is not expected to be repaid entirely or almost entirely with resources of the primary government. The following discretely presented component units meet these criteria and are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the State.

The *Nevada System of Higher Education (NSHE)* is a legally separate organization consisting of the institutions of public higher education in Nevada, the NSHE Administration entity, and their component units. NSHE is governed by a Board of Regents elected by the voters. NSHE is considered to be fiscally dependent on the primary government since the State can modify and approve their budgets. In addition, NSHE imposes a financial burden on the primary government since the State provides financial support to NSHE through annual operating and capital appropriations.

The *Colorado River Commission (CRC)* is a legally separate organization responsible for managing Nevada's interests in the water and power resources available from the Colorado River. It is governed by seven commissioners, a majority of whom are appointed by the State: four are appointed by the Governor and three are appointed by the board of directors of the Southern Nevada Water Authority. The State is financially accountable for CRC since bonds issued by the CRC are backed by the full faith and credit of the State of Nevada, which creates the potential for a financial burden to the State. CRC provides services to citizens through the distribution and sale of electric power.

The *Nevada Capital Investment Corporation (NCIC)* is a legally separate organization whose board of directors consists of the State Treasurer, who serves as the chair; five members that are appointed by the primary government; and the Chancellor of NSHE, or his designee. Up to five additional members of the board may be chosen who are direct investors of the corporation. The NCIC is an independent corporation for public benefit, the general purpose of which is to act as a limited partner, shareholder or member to provide private equity funding to businesses located in or seeking to locate in Nevada, and engage in certain industries. The amount invested in the NCIC is not to exceed \$50 million from the State Permanent School Fund. The State is financially accountable for NCIC since it is able to impose its will through veto power by the State Treasurer.

Complete financial statements for each of the individual component units, with the exception of the *Nevada Real Property Corporation*, which has no other financial activity than that previously described, may be obtained at that organization's administrative offices:

Public Employees' Retirement System

Carson City, NV

Legislators' Retirement System

Carson City, NV

Judicial Retirement System

Carson City, NV

Retirement Benefits Investment Fund

Carson City, NV

Nevada System of Higher Education

Reno, NV

Colorado River Commission

Las Vegas, NV

Nevada Capital Investment Corporation

Carson City, NV

Related Organizations: The Governor is responsible for appointing the members of many boards and commissions. The State's accountability for these entities does not extend beyond making the appointments and thus these entities are excluded from this report. The State does not exercise financial or administrative control over the excluded boards and commissions.

Notes to the Financial Statements

For the Year Ended June 30, 2020

C. Basis of Presentation

Government-wide Financial Statements: While separate government-wide and fund financial statements are presented, they are interrelated. On the government-wide financial statements, the governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As discussed earlier, the State has three discretely presented component units which are shown in a single column in the government-wide financial statements.

In general, the effect of interfund activity has been removed from the government-wide financial statements. Overhead costs have been removed to minimize the double counting of internal activities, but interfund services provided and used have been retained, as their elimination would distort the measurement of the cost of individual functional activities. Internal activities of a reimbursement type nature reduce the expenses of the reimbursed programs. Certain centralized costs have been included as part of the program expenses reported for the various functions and activities. The net amount of interfund receivables and payables between governmental activities and business-type activities are reported as internal balances on the government-wide statement of net position. The net amount of transfers between governmental activities and business-type activities are reported as transfers on the government-wide statement of activities.

Fund Financial Statements: The fund financial statements provide information about the government's funds, including its fiduciary and blended component units. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

The State reports the following major governmental funds:

General Fund – this is the State's primary operating fund. It accounts for all financial resources of the general government except those accounted for in another fund.

State Highway Fund - accounts for the maintenance, regulation, and construction of public highways and is funded through vehicle fuel taxes, federal funds, and other charges.

The State reports the following major enterprise funds:

Higher Education Tuition Trust Fund – accounts for the State program to assist Nevada residents in locking in the cost of future higher education expenses for Nevada colleges and universities. This program is financed through the sale of prepaid tuition contracts.

Housing Division Fund - accounts for the State program to assist private lenders in providing low interest housing loans to low- and moderate-income households. This program is financed through the sale of bonds.

Unemployment Compensation Fund - accounts for the payment of unemployment compensation benefits.

Water Projects Loans Fund - accounts for revenues and expenses associated with operating a revolving fund to finance local government pollution control projects, and with operating revolving and set-aside program funds to finance local public water systems' safe drinking water projects.

Additionally, the State reports the following fund types:

Internal Service Funds - provides goods or services primarily to other agencies or funds of the State rather than to the general public. These goods and services include accounting, communications, information technology, fleet services, personnel, printing, property management, purchasing and risk management. In the government-wide statements, internal service funds are included with governmental activities.

Pension and Other Employee Benefit Trust Funds - report resources that are required to be held in trust for the members and beneficiaries of the State's defined benefit pension plans and other post-employment benefit plans.

Investment Trust Funds - report resources received from local governments that are either pooled in an external investment portfolio for the benefit of all participants or separated into subaccounts of identified investments allocated to specific participating local governments. Examples include the Local Government Investment Pool, the Nevada Enhanced Savings Term and the Retirement Benefits Investment Fund.

Notes to the Financial Statements

For the Year Ended June 30, 2020

Private Purpose Trust Funds - report resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments. Examples include the Prisoners' Personal Property and the Nevada College Savings Plan.

Custodial Funds - report fiduciary activities not held in a trust or equivalent arrangement. Examples include motor vehicle and child support disbursement.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual; that is, when they become both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The State considers revenues to be available if they are collected within 60 days after year-end. Those revenues susceptible to accrual are gaming revenues, sales taxes, other taxes as described in Note 14, interest revenue and charges for services. Fines and permit revenues are not susceptible to accrual because they are generally not measurable until received in cash.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments are recorded only when payment is due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

The proprietary, pension and other employee benefit trust, investment trust, private-purpose trust and custodial funds are reported using the economic resources measurement focus and the accrual basis of accounting.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

Cash and Pooled Investments - The State Treasurer manages a cash pool where all temporary surplus cash is invested. These investments are reported on the Statement of Net Position and Balance Sheet as cash and pooled investments. Earnings from these pooled investments are credited to the General Fund and certain other funds that have specific statutory authority to receive a prorated share based on daily cash balances. Also included in this category is cash held by departments as petty cash funds and in bank accounts, outside the Treasurer's cash management pool. The operations and investments of the cash pool are described in Note 3.

Cash and cash equivalents are defined as bank accounts, petty cash, money market demand accounts and certificates of deposit with original maturities of three months or less. Cash and cash equivalents are reported in the Statement of Cash Flows for proprietary fund types.

Investments - Investments are stated at fair value. Fair value is defined as 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. Short-term investments are generally reported at cost, which approximates fair value, except for the short-term investments of the Nevada College Savings Plan that are valued at amortized cost, which approximates fair value. Securities, traded on a national or international exchange, are valued at the last reported sale price at current exchange rates. Fixed income securities are valued based on yields currently available on comparable securities of issuers with similar credit ratings. The fair value of real estate investments is established by independent third party valuation firm in conjunction with Member Appraisal Institute (MAI) independent appraisals. Investments that do not have an established market are reported at estimated fair value.

Notes to the Financial Statements

For the Year Ended June 30, 2020

The Local Government Investment Pool, the Nevada Enhanced Savings Term Investment Trust and the Retirement Benefits Investment Fund are reported as investment trust funds. The investments of the Local Government Investment Pool and the Nevada Enhanced Savings Term Investment Trust are subject to the general limitations of NRS 355.170. The investments of the Retirement Benefits Investment Fund are governed by the prudent person standard, as set forth by NRS 286.682. Security transactions are accounted for on the trade date (the date the order to buy or sell is executed). Interest income is determined on an accrual basis with discounts earned and premiums paid being amortized. Realized gains and losses, if any, on sales of securities are calculated using the amortized cost basis at the date of sale. The fair value of the position in the pool is the same as the value of the pool shares. The Bank of New York Mellon is the custodian and transfer agent for the Local Government Investment Pool, the Nevada Enhanced Savings Term Investment Trust and the Retirement Benefits Investment Fund.

Receivables - Receivables represent amounts due to the State at June 30, which will be collected sometime in the future. In the government-wide financial statements, a corresponding amount is recorded as revenue. In the governmental fund financial statements, the portions considered "available" (i.e., received by the State within approximately 60 days after year-end) are recorded as revenue; the remainder is recorded as deferred inflows of resources, unavailable revenue. Receivables in proprietary fund types have arisen in the ordinary course of business. All receivables are shown net of an allowance for uncollectible accounts. Significant receivable balances not expected to be collected within one year are presented in Note 4.

Interfund Transactions - The State has two types of interfund transactions:

1. Services rendered and employee benefit contributions are accounted for as revenues, expenditures/expenses in the funds involved.
2. Operating appropriations and subsidies are accounted for as transfers in the funds involved.

Due from/due to other funds and transfers are presented in Note 5.

Inventories - In general, inventories in governmental funds are recorded as expenditures when purchased; however, certain inventories in the General Fund, the Highway Fund, and nonmajor governmental funds are recorded as expenditures at the time individual inventory items are consumed. Inventories are stated at cost on the first-in, first-out basis. Inventory items in the governmental funds are offset by nonspendable fund balance to indicate that they will not be converted to cash.

Prepaid Items - Prepaid items reflect payments for costs applicable to future accounting periods and are recorded in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. Prepaid items in the governmental funds are offset by nonspendable fund balance to indicate that they will not be converted to cash.

Advances to Other Funds - Long-term interfund advances are recorded by the advancing fund as a receivable. These amounts are reported in the nonspendable fund balance in the General Fund to maintain the accountability and to disclose properly the amount available for appropriation. In other governmental funds this amount will be reported in restricted, committed, or assigned fund balances. Repayments are credited to the receivable and corresponding reductions are made in the appropriate fund balance. A summary of interfund advances is presented in Note 5.

Capital Assets and Depreciation - An inventory of State-owned land, buildings and equipment was developed in 1985. All capital assets are recorded in the Statement of Net Position at historical cost or estimated historical cost, based on acquisition of comparable property or agency records, if actual historical cost is not available. Donated capital assets are stated at acquisition value at time of donation. The government defines capital assets as assets with a unit cost of \$5,000 or more for furniture and equipment, or \$500,000 or more for buildings and improvements or \$1,000,000 or more for internally generated software, and an estimated useful life in excess of one year. Interest incurred during construction is only capitalized in proprietary funds.

Most capital assets are depreciated principally on a straight-line basis over estimated useful lives of 40 years for structures and 3 to 30 years for improvements, furniture and equipment. The State's significant infrastructure assets utilize the modified approach in which costs to maintain and preserve these assets are expensed and no depreciation expense is recorded. This approach is discussed further in the Required Supplementary Information portion of this report.

Notes to the Financial Statements

For the Year Ended June 30, 2020

In the Nevada System of Higher Education, capital assets are defined as assets with an initial unit cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are stated at cost at the date of acquisition. Collections are capitalized at the acquisition value at the date of donation. Depreciation is computed on a straight-line basis over estimated useful lives of 40 years for buildings, 10 to 15 years for land improvements and 3 to 11 years for library books, machinery and equipment. Additional disclosure related to capital assets is provided in Note 7.

Compensated Absences – A liability for compensated absences relating to services already rendered and that are not contingent on a specified event is accrued as employees earn the rights to the benefits. Compensated absences relating to future services or that are contingent on a specified event will be accounted for in the period those services are rendered or those events take place. Proprietary fund types report accrued compensated absences as liabilities in the appropriate funds. Governmental funds report a liability and expenditure for compensated absences only if the liability has matured as a result of employee resignations or retirements. Thus no expenditure would be recognized in governmental funds for the unpaid balance of compensated absences for employees still in active service at the end of the reporting period. On the Statement of Net Position, the accrued compensated absences for both proprietary and governmental fund types is reported.

Long-Term Obligations - In the government-wide statements and proprietary fund financial statements, long-term debt and other long-term liabilities are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures. Long-Term Obligations are more fully described in Note 9.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources, which represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. An example is the deferred charge on refunding which 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.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources, which represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. An example is unavailable revenue, reported in the governmental funds balance sheet when revenue is measureable but not available. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position/Fund Balance - The difference between fund assets, deferred outflows of resources, liabilities and deferred inflows of resources is “Net Position” on the government-wide, proprietary and fiduciary fund statements, and “Fund Balance” on governmental fund statements.

In governmental fund financial statements, fund balances are classified based primarily on the extent to which the State is bound to observe constraints imposed upon the use of the resources in the fund as follows:

1. Nonspendable fund balance includes items that cannot be spent because they are either not in spendable form (such as inventories, prepaid amounts and the long-term portion of loans/notes receivables) or legally or contractually required to be maintained intact (such as the principal of a permanent fund).
2. Restricted fund balances have constraints placed upon the use of the resources either by an external party or imposed by law through constitutional provisions or enabling legislation.
3. Committed fund balances can be used only for specific purposes pursuant to constraints imposed by a formal action of the government’s highest level of decision-making authority, the Nevada Legislature, through legislation passed into law.
4. Assigned fund balance includes amounts that are constrained by the government’s intent to be used for a specific purpose, but are neither restricted nor committed. Assignments of fund balance are created by the executive branch.
5. Unassigned fund balance is the residual amount of the General Fund not included in the four categories above. Also, any deficit fund balances within the other governmental fund types are reported as unassigned.

Notes to the Financial Statements

For the Year Ended June 30, 2020

Each fund has been analyzed for proper classification of fund balance. Funds are created by the Legislature and money is authorized to be transferred to the fund for a particular purpose. Balances in the Legislatively created funds are at least committed, and may be further restricted depending on whether there is an external party, constitutional provision, or enabling legislation constraint involved. Note 13 provides a disaggregation of governmental fund balances, nonspendable, restricted, committed, and unassigned.

Net Position/Fund Balance Flow Assumptions - The State's policy is to spend restricted amounts first when an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available. Therefore, restricted net position/fund balance is depleted before using unrestricted net position/fund balance. In governmental funds, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, the assumed order of spending is first committed, assigned and then unassigned.

Minimum Fund Balance Policy - NRS 353.213(3) requires that the proposed budget for each fiscal year of the biennium provide for a reserve of not less than 5% or more than 10% of the total of all proposed appropriations from the State General Fund for the operation of all departments, institutions and agencies of the State and authorized expenditures from the State General Fund for the regulation of gaming for that fiscal year.

Stabilization Arrangement - NRS 353.288 provides for the Account to Stabilize the Operation of the State Government (Stabilization Account) in the State General Fund. 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 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. Additionally, commencing with the fiscal year that began on July 1, 2017, 1% of the total anticipated revenue for the fiscal year in which the transfer will be made as projected by the Economic Forum for that fiscal year, is also deposited to the Stabilization Account. Expenditures may occur if actual revenues for the biennium fall short by 5% or more from anticipated revenues, if the Legislature and Governor declare that a fiscal emergency exists or if the Legislature allocates it to be used for any other purpose. The balance in the Stabilization Account committed for fiscal emergency at June 30, 2020 is \$97,545,079.

Pensions - For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS, LRS and JRS and additions to/deductions from the plans fiduciary net position have been determined on the same basis as they are reported by PERS, LRS and JRS. 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.

Postemployment Benefits Other than Pensions (OPEB) - For purposes of measuring the State's net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State'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, employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Plan assets are reported at fair value.

F. Revenues and Expenditures/Expenses

Program Revenues - In the government-wide statement of activities, program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are instead reported as general revenues.

Property Taxes - Property taxes are recognized as revenues in the year for which they are levied. Property taxes are levied July 1 on property values assessed by the prior January 1. Property tax billings are payable in quarterly installments on the third Monday in August and the first Monday in October, January and March, after which time the bill is delinquent.

Grants - The State participates in various federal award programs which are received in both cash and noncash forms. Grants and other entitlements are recognized as revenues when all eligibility requirements are met, including any time requirements, and the amount is received within 60 days after year-end. Federal reimbursement type grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received within 60 days after year-end. Certain grants have matching requirements in which the State must contribute a proportionate

Notes to the Financial Statements

For the Year Ended June 30, 2020

share of the total costs of a program. Use of grant resources is conditioned upon compliance with terms of the grant agreements and applicable federal regulations, which include subjecting grants to financial and compliance audits.

Proprietary Funds Operating and Nonoperating Revenues and Expenses - Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal, ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Note 2. Budgetary and Legal Compliance

Budgetary Process and Control

The Governor must submit his proposed budget for the Executive Branch to the State Legislature not later than 14 calendar days before each regular session, which convenes every odd-numbered year. The presented budget spans the next two fiscal years and contains the detailed budgetary estimates of revenues and expenditures. The Legislature enacts the budget through passage of the General Appropriations Act, which allows expenditures from unrestricted revenues, and the Authorized Expenditures Act, which allows expenditures from revenues collected for specific purposes. Once passed and signed, the budget becomes the State's financial plan for the next two fiscal years.

The legal level of budgetary control, the level at which appropriations are approved and the level at which over-expenditure of appropriations or transfers of appropriated amounts may not occur without Legislative action, is at the total program level within each department or agency.

Limited budgetary revisions may be made without Legislative action through the following management/administrative procedures. After obtaining the approval of the Governor, or his designee, the Budget Director, Legislative Interim Finance Committee (LIFC) approval is required of those revisions in excess of \$30,000 which have the effect, when taken into consideration with all other changes during the fiscal year, of increasing or decreasing any legislatively approved expenditure level by 10% or \$75,000, whichever is less. Revisions not exceeding this threshold require only Budget Director approval. The LIFC approval is not equivalent to governing body approval, as total appropriations for a program may not be increased except as follows. The Legislature appropriates limited funds to the Contingency Account, in the General Fund, which may be allocated to programs by the LIFC upon recommendation of the Board of Examiners. Allocations totaling \$24,379,347 were made in the 2020 fiscal year. Unencumbered appropriations lapse at the end of each fiscal year unless specific authority to carry forward is granted in the Appropriations Act. Unexpended authorized resources, under the Authorized Expenditures Act, are carried forward for expenditure in the next fiscal period.

Budgets are legally adopted for the General Fund and Special Revenue Funds, except for the Nevada Real Property Corporation special revenue fund. In addition, certain activity within such funds may be unbudgeted. The State's budget is prepared principally on a modified accrual basis with the following exceptions:

1. Cash placed in petty cash funds or outside bank accounts is considered expended for budgetary purposes.
2. Advances to other funds are considered expenditures. Repayments of such advances are considered revenues.
3. Certain assets, such as prepaid items, are considered expended for budgetary purposes. Inventory is an expenditure for budgetary purposes. Certain unearned revenue is considered revenue for budgetary purposes.
4. Expenditures are only recognized if the liability is liquidated within 45 days after the fiscal year end.
5. Revenue from grants is only recognized when it is received in cash.
6. Encumbrances for goods or services not received by fiscal year-end are considered an expenditure of the current period if received and paid within 45 days.

The Budgetary Comparison Schedule is presented as Required Supplementary Information (RSI) in this report. Actual amounts in this schedule are presented on a budgetary basis. Because this basis differs from accounting principles generally accepted in the United States of America (GAAP), a reconciliation between the budgetary and GAAP basis is presented in the RSI.

Notes to the Financial Statements

For the Year Ended June 30, 2020

Note 3. Deposits and Investments

The Nevada Revised Statutes (NRS) and Nevada Administrative Code, as well as procedures approved by the State Board of Finance, govern deposits and investing activities for the primary government, fiduciary funds and its discretely presented component units which are not expressly required by law to be received and kept by another party. NRS 226.110(3) further requires that the Office of the State Treasurer shall establish the policies to be followed in the investment of money of the State of Nevada.

A. Deposits

Primary Government and Fiduciary Funds - The State minimizes its custodial credit risk by legislation establishing a program to monitor a collateral pool for public deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the State's deposits may not be recovered. NRS 356 directs the Office of the State Treasurer to deposit funds into any state, or national bank, credit union or savings and loan association covered by federal depository insurance. For those deposits over and above the federal depository insurance maximum balance, sufficient collateral must be held by the financial institution to protect the State of Nevada against loss. The pooled collateral for deposits program maintains a 102% pledged collateral for all public deposits. Cash and cash equivalents consist of deposits in money market funds, which are not federally insured, and cash in the bank. As of June 30, 2020, deposits in money market funds totaled \$756,244,337, and cash in bank was \$297,234,152 of which \$45,909,331 was uncollateralized and uninsured. In addition, the State has custody of Time Certificates of Deposits in the amount of \$3,445,604 that are uncollateralized and uninsured. Cash in bank includes \$105,478 which is insured by American Share Insurance which is not FDIC.

Component Units - Cash and cash equivalents of the Nevada System of Higher Education (NSHE) are stated at cost, which approximates market, and consist of deposits in money market funds, which are not federally insured, and cash in the bank. At June 30, 2020 NSHE's deposits in money market funds totaled \$92,252,000 and cash in bank was \$47,200,000. Of these balances, \$250,000 are covered by the Federal Depository Insurance Corporation (FDIC); the remaining deposits are uncollateralized and uninsured.

B. Investments

NRS 355.140 details the types of securities in which the State may invest. In general, authorized investments include: certificates of deposit, asset-backed securities, bankers' acceptances and commercial paper, collateralized mortgage obligations, corporate notes, municipal bonds, money market mutual funds whose policies meet the criteria set forth in the statute, United States treasury securities, and specific securities implicitly guaranteed by the federal government. Additionally, the State may invest in limited types of repurchase agreements; however, statutes generally prohibit the State from entering into reverse-repurchase agreements. The State's Permanent School Fund is further limited by statute as to the types of investments in which it may invest (NRS 355.060). Cash and Investments are also discussed in Note 1 under Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance.

The State Board of Finance reviews the State's investment policies at least every four months. The Board is comprised of the Governor, the State Controller, the State Treasurer and two members appointed by the governor, one of which must be actively engaged in commercial banking in the State.

Investments held in the Local Government Investment Pool (LGIP), Retirement Benefits Investment Fund (RBIF), and Nevada Enhanced Savings Term (NVEST) are specifically identifiable investment securities and are included in the following tables. LGIP, RBIF, and NVEST are investment trust funds and discussed further in Note 1, Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance. LGIP and NVEST are governed by the Nevada State Board of Finance and administered by the Nevada State Treasurer. Complete financial statements for LGIP and NVEST may be obtained from the State Treasurer's Office, 101 N. Carson Street, Suite 4, Carson City, NV 89701. RBIF is administered by the Retirement Benefits Investment Board. The audited financial statements of RBIF may be obtained from the Public Employees' Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

The College Savings Plan of Nevada was created under Title 31, Chapter 353B of the Nevada Revised Statutes, as amended, to encourage individuals and families to save for future costs of higher education. The plan is designed to qualify for treatment as a qualified tuition program under Section 529 of the Internal Revenue Code of 1986, as amended, and any regulations and

Notes to the Financial Statements

For the Year Ended June 30, 2020

other guidance issued thereunder. Plan assets are held for the benefit of account owners and their designated beneficiaries in the Nevada College Savings Trust. The Board of Trustees is responsible for the overall administration of the program, subject to implementing regulations set forth in the Nevada Administration Code. Pursuant to NRS 353B.005 the Board of Trustees consists of five members, the State Treasurer, who may name a designee to serve on the Board on his or her behalf; the Director of the Office of Finance, or designee; the Chancellor of the System, or a designee; and two members appointed by the Governor. The State of Nevada, acting through the Board of the College Savings Plan, and acting by and through its Administrator, the State Treasurer, offers and administers the various plans.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Primary Government and Fiduciary Funds - The State minimizes interest rate risk by maintaining an effective duration of less than 1.5 years and holding at least 25% of the portfolio's total market value in securities with a maturity of 12 months or less. However, the benchmark used by the State Treasurer to determine whether competitive market yields are being achieved is the 90 day U.S. Treasury Bill's average over the previous three month period (Rolling 90 day T-Bill). Investment policies for the pension and other employee benefit trust funds authorize all securities within the Barclays Aggregate Index benchmark. If securities are purchased outside the Barclays U.S. Treasury Index, they must be of investment grade rating by at least two of the following: Moody's, Standard & Poor's or Fitch (BBB- or better by Standard & Poor's/Fitch, Baa3 or better by Moody's) except those issued or guaranteed by the U.S. Government or its agencies. The following table provides information about the interest rate risks associated with the State's investments as of June 30, 2020 (expressed in thousands):

	Fair Value	Maturities in Years			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury securities	\$ 13,905,812	\$ 458,702	\$ 13,234,047	\$ 88,204	\$ 124,859
Negotiable certificate of deposit	1,026,298	1,023,794	2,504	-	-
U.S. agencies	736,316	415,577	213,248	11,583	95,908
Asset backed corporate securities	42,012	541	35,130	6,341	-
Corporate bonds and notes	962,401	533,978	421,795	6,347	281
Commercial paper	1,109,065	1,109,065	-	-	-
Other investments	61,777	57,894	3,883	-	-
Short term investments	64,114	64,114	-	-	-
Money market funds	1,726,599	1,726,599	-	-	-
Total	\$ 19,634,394	\$ 5,390,264	\$ 13,910,607	\$ 112,475	\$ 221,048

Component Units – The Nevada System of Higher Education's (NSHE) 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, NSHE is not the trustee of these investments and, therefore, currently has no policies with regard to interest rate risk for these investments. Investments having interest rate risk are principally invested in mutual funds and private commingled funds. The following table provides the segmented time distribution for these investments at June 30, 2020 (expressed in thousands):

Less than 1 year	\$ 100,237
1 to 5 years	68,375
6 to 10 years	203,881
Total	\$ 372,493

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the State of Nevada.

Primary Government and Fiduciary Funds - NRS 355.140, the State Treasurer's investment policy, and investment policies of the pension and other employee benefit trust and investment trust funds all address credit risk. A summary of the policies is presented as follows:

- Commercial paper, Negotiable Certificates of Deposit, and Bankers' Acceptances are rated by a nationally recognized rating service as "A-1," "P-1" or its equivalent, or better,
- Notes, bonds and other unconditional obligations issued by corporations in the U.S. and municipal bonds (effective September 2011) are rated by a nationally recognized rating service as "A" or its equivalent, or better,

Notes to the Financial Statements

For the Year Ended June 30, 2020

- Money market mutual funds are SEC registered 2(A)7 and rated by a nationally recognized rating service as “AAA” or its equivalent,
- Collateralized mortgage obligations and asset-backed securities are rated by a nationally recognized rating service as “AAA” or its equivalent,
- Repurchase agreements with banks or registered broker-dealers provided the agreement is collateralized by 102% with U.S. Treasuries or U.S. government agency securities on a delivery basis.

In addition to the above provisions, investment policies for the pension and other employee benefit trust funds allow investment in corporate bonds, assets related instruments, and foreign debt issued in the U.S. rated by at least two of the following: Moody’s, Standard & Poor’s, or Fitch (BBB- or better by Standard & Poor’s/Fitch, Baa3 or better by Moody’s). Investments having credit risk are included in the table below.

The State’s investments as of June 30, 2020 were rated by Standard & Poor’s and/or an equivalent national rating organization, and the ratings are presented below using the Standard & Poor’s rating scale (at fair value, expressed in thousands):

	Quality Rating				
	AAA	AA	A	BBB	Unrated
U.S. Treasury securities	\$ 149,045	\$ 325,280	\$ -	\$ -	\$ 13,431,486
Negotiable certificate of deposit	-	1,821	336,245	-	688,232
U.S. agencies	83,288	573,076	-	-	78,373
Mutual funds	-	-	-	-	29,510,485
Asset backed corporate securities	20,940	4,773	-	-	1,947
Corporate bonds and notes	5,944	143,352	794,125	18,981	-
Commercial paper	-	-	1,109,065	-	-
Investment agreements	16,000	-	-	-	-
Short-term investments	134,445	-	6,108	-	-
Other investments	15,296	14,990	31,491	-	32
Equity securities	-	-	-	-	28,801,400
Real estate	-	-	-	-	2,115,564
Private equity	-	-	-	-	2,635,865
Money market funds	112,009	-	-	-	1,614,590
Total	\$ 536,967	\$ 1,063,292	\$ 2,277,034	\$ 18,981	\$ 78,877,974

Component Units – The NSHE’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, NSHE 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 NSHE operating and endowment investments at June 30, 2020 is as follows (at fair value, expressed in thousands):

	Unrated
Mutual funds publicly traded	\$ 556,444
Partnerships	60,786
Endowment cash/cash equivalents	140,752
Trust(s)	4,033
Private commingled funds	258,156
	1,020,171
Less: GBC Foundation Endowments	(7,601)
Total	\$ 1,012,570

Concentration of Credit Risk: Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government’s investment in a single issuer. The NRS 355.140, 355.060, and the State Treasurer’s investment policy limit the investing in any one issuer to 5% of the total par value of the portfolio. At June 30, 2020, no individual investment exceeded 5% of the total portfolio of the Primary Government.

At June 30, 2020, the following investments exceeded 5% of the Higher Education Tuition Trust’s total investments (expressed in thousands):

	Fair Value	Percentage
Federal Home Loan Mortgage Corp - Asset-Backed Mortgage Security	\$ 17,594	5.73%

Notes to the Financial Statements

For the Year Ended June 30, 2020

The Housing Division currently places no limit on the amount it may invest in any one issuer provided their ratings are in the highest two general rating categories. However, the Housing Division monitors rating changes on all issuers. If warranted, more concentrated investments may have to be diluted to alternative investment providers. As of June 30, 2020, the Housing Division's investments in Fannie Mae and Ginnie Mae are 16.7% and 27.2% respectively, of the Housing Division's total investments. The Fannie Mae and Ginnie Mae investments are in mortgage backed securities matched to the interest rate and maturity of the underlying bonds. Because such investments are matched to concomitant liabilities, the Housing Division is less concerned about a concentration risk on these investments.

Component Unit - The Nevada Capital Investment Corporation (NCIC) owns 99% equity interest in Silver State Opportunities Fund LLC (SSOF), a Nevada limited liability company, and 99.9% equity interest in Accion, LLC, a New Mexico limited liability company, for the purpose of obtaining income. At June 30, 2020 the investment in equity interest of SSOF and Accion exceeded 5% of NCIC's total investments.

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit.

Primary Government and Fiduciary Funds - The primary government does not have a policy regarding foreign currency risk; however, the State Treasurer's office does not have any deposits or investments in foreign currency. The PERS, LRS, JRS, and RBIF do have foreign currency policies for deposit and investments, which may be used for portfolio diversification and hedging. Highly speculative positions in currency are not permitted. LRS and JRS had no exposure to foreign currency risk as of June 30, 2020. The following table summarizes the pension and investment trust funds' exposure to foreign currency risk in U.S. dollars as of June 30, 2020 (expressed in thousands):

	Currency by Investment and Fair Value				
	Equity	Private Equity	Pending Transactions	Cash	Total
Australian Dollar	\$ 541,975	\$ -	\$ 200	\$ 114	\$ 542,289
British Pound Sterling	1,130,675	23,400	(100)	1,520	1,155,495
Canadian Dollar	805,489	-	(700)	1,327	806,116
Danish Krone	188,137	-	(100)	113	188,150
Euro	2,573,494	282,700	400	703	2,857,297
Hong Kong Dollar	256,427	-	-	1,037	257,464
Israeli Shekel	25,562	-	(100)	218	25,680
Japanese Yen	2,043,626	-	(2,500)	6,428	2,047,554
New Zealand Dollar	26,388	-	-	117	26,505
Norwegian Krone	41,823	-	-	234	42,057
Singapore Dollar	89,502	-	-	1,018	90,520
Swedish Krona	245,372	-	-	116	245,488
Swiss Franc	827,037	-	(100)	113	827,050
Total	\$ 8,795,507	\$ 306,100	\$ (3,000)	\$ 13,058	\$ 9,111,665

Component Unit - The NSHE does not directly invest in foreign currency investments and is therefore not subject to foreign currency risk. However, it has \$170,480 in mutual funds in both the operating and endowment pools that are primarily invested in international equities at June 30, 2020.

Fair Value of Investments: The State uses the market approach to determine the fair value of its investments. The State categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are valued using quoted prices for identical securities in markets that are not active; Level 3 inputs are significant unobservable inputs. The following table summarizes the fair value measurements of the primary government and fiduciary funds as of June 30, 2020 (expressed in thousands):

Notes to the Financial Statements

For the Year Ended June 30, 2020

	Fair Value Measurements Using			Total
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	
Investments by fair value level				
U.S. Treasury securities	\$ 13,791,031	\$ 164	\$ -	\$ 13,791,195
Negotiable certificates of deposit	-	1,026,299	-	1,026,299
U.S. agencies	8,861	656,882	-	665,743
Mutual funds	384,258	-	-	384,258
Asset backed corporate securities	1,715	40,297	-	42,012
Corporate bonds & notes	9,252	953,150	-	962,402
Commercial paper	-	1,109,065	-	1,109,065
Short-term investments	93,146	5,372	-	98,518
Other investments	32	61,777	-	61,809
Equity securities	28,769,386	-	-	28,769,386
Money market funds	1,726,599	-	-	1,726,599
Total investments by fair value level	<u>\$ 44,784,280</u>	<u>\$ 3,853,006</u>	<u>\$ -</u>	<u>\$ 48,637,286</u>
Investments at NAV				
Equity securities				32,015
Mutual funds (unrated)				29,126,227
Real estate				2,115,564
Private equity				2,635,864
Total investments at NAV				<u>33,909,670</u>
Investments at amortized cost				
U.S. Treasury				114,617
U.S. Agencies				70,573
Investment agreements				16,000
Short-term investments				43,475
Total investments at amortized cost				<u>244,665</u>
Total of Investments				<u>\$ 82,791,621</u>

C. Securities Lending

Primary Government and Investment Trust Funds - NRS 355.135 authorizes the State Treasurer to lend securities from the investment portfolio of the State if collateral received from the borrower is at least 102% of fair value of the underlying securities and the value of the securities borrowed is determined on a daily basis. There were no securities on loan at June 30, 2020 (excluding PERS).

Public Employees' Retirement System (PERS) – PERS maintains a securities lending program under the authority of the “prudent person” standard of NRS 286.682. Securities loaned under this program consist of U.S. Treasury Obligations, U.S. equity securities, and international equity securities. Collateral received consists of cash and securities issued by the U.S. Government, its agencies or instrumentalities. Collateral received for the lending of U.S. securities must equal at least 102% of market value, plus accrued interest in the case of fixed income securities. Collateral received for the lending of international securities must equal at least 105% of market value, plus accrued interest in the case of fixed income securities.

At year-end, PERS has no credit risk exposure to borrowers because the associated value of the collateral held exceeds the value of the securities borrowed. PERS has no discretionary authority to sell or pledge collateral received or securities loaned. The contract with the securities lending agent requires the agent to indemnify PERS for all losses relating to securities lending transactions. There were no losses resulting from borrower default during the period nor were there any recoveries of prior period losses.

PERS may only loan up to 33 1/3% of its total portfolio. Either PERS or the borrower can terminate all securities loans on demand. In September 2013 the Board elected to allow only overnight repurchase agreements collateralized by U.S. government obligations issued or guaranteed by the U.S. Government, its agencies or instrumentalities within the reinvestment portfolio. This action effectively eliminated risk in securities lending collateral reinvestment portfolio since securities issued or guaranteed by the U.S. Government are considered to be free of credit risk. The maturities of the investments made with cash collateral generally do not match the maturities of the securities loaned because securities lending transactions can be terminated at will.

The fair value of underlying securities on loan at June 30, 2020 is \$1,325,374,331. Collateral received for outstanding securities lending arrangements consisted of cash in the amount of \$205,982,715 and non-cash in the amount of \$1,176,884,160. The cash collateral is reported on the Statement of Fiduciary Net Position as an asset with a related liability. At June 30, 2020, PERS has collateral consisting of cash and securities issued by the U.S. Government, its agencies or instrumentalities, in excess of the fair value of investments held by brokers/dealers under a securities lending agreement.

Notes to the Financial Statements

For the Year Ended June 30, 2020

D. Derivatives

Primary Government – The Office of the State Treasurer’s investment policies do not contain any specific language regarding derivatives other than prohibiting certain types of derivatives such as option contracts, futures contracts, and swaps in the General Portfolios and the Local Government Investment Pool effective June 2012 and November 2015 respectively. The primary government has no exposure to derivatives as of June 30, 2020.

Note 4. Receivables

Receivable balances are disaggregated by type and presented separately in the financial statements. Significant receivable balances not expected to be collected within one year and not already classified in the fund financials are presented below (expressed in thousands):

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
As shown on financial statements:			
Intergovernmental receivables	\$ 561,488	\$ 38,131	\$ 599,619
Notes/loans receivable	14,543	83,680	98,223
Due from component units	210	24,132	24,342
Total	<u>\$ 576,241</u>	<u>\$ 145,943</u>	<u>\$ 722,184</u>
Classified:			
Current portion:	<u>\$ 519,521</u>	<u>\$ 42,925</u>	<u>\$ 562,446</u>
Noncurrent portion:			
Intergovernmental receivables	42,980	-	42,980
Notes/loans receivable	13,740	79,065	92,805
Due from component units	-	23,953	23,953
Total noncurrent portion	<u>56,720</u>	<u>103,018</u>	<u>159,738</u>
Total	<u>\$ 576,241</u>	<u>\$ 145,943</u>	<u>\$ 722,184</u>

Not included in the receivable balances are amounts considered to be uncollectible. In the governmental funds, uncollectible taxes receivable are estimated at \$19.3 million, and uncollectible accounts receivable are estimated at \$195.5 million. The proprietary funds have \$45.5 million in uncollectible accounts receivable of which \$8.0 million are from uninsured employers’ fines and penalties, and \$11.8 million are from unemployment contributions and benefit overpayments.

Notes to the Financial Statements

For the Year Ended June 30, 2020

Note 5. Interfund Transactions

A. Interfund Advances

A summary of interfund advances at June 30, 2020, follows (expressed in thousands):

Advances To	Advances From			Total
	General Fund	State Highway	Nonmajor Governmental	
Nonmajor enterprise	\$ 124	\$ -	\$ -	\$ 124
Internal Service Funds	3,850	3,470	-	7,320
Total other funds	\$ 3,974	\$ 3,470	\$ -	\$ 7,444

Interfund advances are the portions of interfund balances that are *not* expected to be repaid within one year. The interfund balances that are expected to be repaid within one year are shown in the Due From/Due To summary following.

Advances are generally made to finance capital expenditures or as a loan for operating purposes.

B. Due From/Due To Other Funds and Component Units

A summary of due from and due to other funds and component units at June 30, 2020, is shown below (expressed in thousands):

Due From	Due To			
	Major Governmental Funds		Nonmajor Governmental	Total Governmental
	General Fund	State Highway		
Major Governmental Funds:				
General	\$ -	\$ 31,893	\$ 35,460	\$ 67,353
State Highway	2,839	-	12,678	15,517
Nonmajor governmental	119,201	2,822	52,236	174,259
Total Governmental	122,040	34,715	100,374	257,129
Major Enterprise Funds:				
Housing Division	51	-	-	51
Unemployment Comp	-	-	22	22
Water Projects Loans	232	-	-	232
Higher Ed Tuition Trust	108	-	-	108
Nonmajor enterprise	2,441	7	131	2,579
Total Enterprise	2,832	7	153	2,992
Internal Service	3,963	501	152	4,616
Total other funds	\$ 128,835	\$ 35,223	\$ 100,679	\$ 264,737
Fiduciary	\$ 81	\$ -	\$ 1,221	\$ 1,302
Component Units:				
Colorado River Commission	\$ 152	\$ -	\$ -	\$ 152
Nevada System of Higher Education	58	-	179	237
Nevada Capital Investment Corporation	-	-	23,953	23,953
Total Component Units	\$ 210	\$ -	\$ 24,132	\$ 24,342

Notes to the Financial Statements

For the Year Ended June 30, 2020

	Due To							
	Major Enterprise Funds			Nonmajor Enterprise	Total Enterprise	Internal Service	Total Other Funds	Fiduciary
	Housing Division	Water Projects Loans	Higher Education Tuition Trust					
Due From								
Major Governmental Funds:								
General	\$ 39	\$ 902	\$ 20	\$ 3,734	\$ 4,695	\$ 9,180	\$ 81,228	\$ 571,165
State Highway	-	-	-	24	24	966	16,507	39
Nonmajor governmental	-	-	-	33	33	516	174,808	14
Total Governmental	<u>39</u>	<u>902</u>	<u>20</u>	<u>3,791</u>	<u>4,752</u>	<u>10,662</u>	<u>272,543</u>	<u>571,218</u>
Major Enterprise Funds:								
Housing Division	-	-	-	-	-	3	54	-
Unemployment Comp	-	-	-	-	-	-	22	-
Water Projects Loans	-	-	-	-	-	1	233	-
Higher Ed Tuition Trust	-	-	-	-	-	1	109	-
Nonmajor enterprise	-	-	-	27	27	413	3,019	61
Total Enterprise	<u>-</u>	<u>-</u>	<u>-</u>	<u>27</u>	<u>27</u>	<u>418</u>	<u>3,437</u>	<u>61</u>
Internal Service	-	-	-	7	7	457	5,080	9
Total other funds	<u>\$ 39</u>	<u>\$ 902</u>	<u>\$ 20</u>	<u>\$ 3,825</u>	<u>\$ 4,786</u>	<u>\$ 11,537</u>	<u>\$ 281,060</u>	<u>\$ 571,288</u>
Fiduciary	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7</u>	<u>\$ 7</u>	<u>\$ 11,700</u>	<u>\$ 13,009</u>	<u>\$ 16</u>
Component Units:								
Colorado River Commission	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ 155	\$ -
Nevada System of Higher Education	-	-	-	-	-	16	253	1,480
Nevada Capital Investment Corporation	-	-	-	-	-	-	23,953	-
Total Component Units	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19</u>	<u>\$ 24,361</u>	<u>\$ 1,480</u>

	Due To		
	Component Units		
	Colorado River Commission	Nevada System of Higher Education	Total Component Units
Due From			
Major Governmental Funds:			
General	\$ 112	\$ 13,782	\$ 13,894
State Highway	-	271	271
Nonmajor governmental	-	60,240	60,240
Total Governmental	<u>112</u>	<u>74,293</u>	<u>74,405</u>
Major Enterprise Funds:			
Nonmajor Enterprise	-	1	1
Total Enterprise	<u>-</u>	<u>1</u>	<u>1</u>
Internal Service	-	12	12
Total	<u>\$ 112</u>	<u>\$ 74,306</u>	<u>\$ 74,418</u>

The balances result primarily from timing differences between the date goods and services are provided or reimbursable expenses occur, and the date the transactions are recorded in the accounting system and payment is made.

Notes to the Financial Statements

For the Year Ended June 30, 2020

C. Transfers From/Transfers To Other Funds

A summary of transfers between funds for the year ended June 30, 2020, is shown below (expressed in thousands):

	Transfers Out/To			
	Major Governmental Funds		Nonmajor Governmental	Total Governmental
	General Fund	State Highway		
Transfers In/From				
Major Governmental Funds:				
General	\$ -	\$ 11,125	\$ 99,634	\$ 110,759
State Highway	27,700	-	2,805	30,505
Nonmajor governmental				
	17,973	5,764	84,351	108,088
Total Governmental	45,673	16,889	186,790	249,352
Major Enterprise Funds:				
Higher Ed Tuition Trust	794	-	-	794
Water Project Loans	2	-	-	2
Nonmajor enterprise	1,797	-	17	1,814
Total Enterprise	2,593	-	17	2,610
Internal Service	2,531	-	-	2,531
Total other funds	\$ 50,797	\$ 16,889	\$ 186,807	\$ 254,493

	Transfers Out/To					
	Major Enterprise Funds		Nonmajor Enterprise Funds	Total Enterprise	Internal Service	Total Other Funds
	Unemployment Compensation	Water Projects Loans				
Transfers In/From						
Major Governmental Funds:						
General	\$ -	\$ 2,066	\$ 13,580	\$ 15,646	\$ 2,181	\$ 128,587
State Highway	-	-	-	-	25	30,530
Nonmajor governmental						
	4,877	-	15	4,892	50	113,030
Total Governmental	4,877	2,066	13,595	20,538	2,256	272,147
Major Enterprise Funds:						
Higher Ed Tuition Trust	-	-	-	-	-	794
Water Project Loans	-	-	-	-	-	2
Nonmajor enterprise	-	-	12	12	-	1,825
Total Enterprise	-	-	12	12	-	2,621
Internal Service	-	-	-	-	-	2,531
Total other funds	\$ 4,877	\$ 2,066	\$ 13,607	\$ 20,550	\$ 2,256	\$ 277,299

The general purpose for transfers is to move monies from funds required by statute to collect them to the funds required by statute or budget to expend them, and to move monies collected for debt service purposes to the debt service fund required to make the payment.

Notes to the Financial Statements

For the Year Ended June 30, 2020

Note 6. Restricted Assets

Various debt service, operation and maintenance, capital improvement and construction (acquisition) funding requirements of bond covenants, and trust indentures are recorded as restricted assets on the Statement of Net Position. The components of restricted assets at June 30, 2020 are as follows (expressed in thousands):

	Primary Government		
	Governmental Activities	Business-Type Activities	Component Units
Restricted:			
Cash	\$ 3,323	\$ -	\$ 100,142
Investments	-	150,974	14,924
Total	\$ 3,323	\$ 150,974	\$ 115,066
Restricted for:			
Debt service	\$ -	\$ 150,974	\$ 1,052
Capital projects	-	-	97,539
Regulation of business	3,323	-	-
Other purposes	-	-	16,475
Total	\$ 3,323	\$ 150,974	\$ 115,066

Note 7. Capital Assets

Capital asset activity of the primary government for the year ended June 30, 2020, was as follows (expressed in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 169,895	\$ 4,395	\$ (27)	\$ 174,263
Construction in progress	2,315,178	323,135	(40,601)	2,597,712
Infrastructure	5,844,907	19,222	(21,602)	5,842,527
Rights-of-way	961,597	1,303	(3,548)	959,352
Total capital assets, not being depreciated	9,291,577	348,055	(65,778)	9,573,854
Capital assets, being depreciated/amortized				
Buildings	1,935,294	29,980	-	1,965,274
Improvements other than buildings	158,348	6,478	-	164,826
Furniture and equipment	460,817	58,458	(12,441)	506,834
Software costs	323,415	1,792	(465)	324,742
Total capital assets, being depreciated/amortized	2,877,874	96,708	(12,906)	2,961,676
Less accumulated depreciation/amortization for				
Buildings	(767,646)	(50,438)	-	(818,084)
Improvements other than buildings	(100,582)	(4,329)	-	(104,911)
Furniture and equipment	(354,693)	(29,431)	12,745	(371,379)
Software costs	(187,634)	(15,296)	394	(202,536)
Total accumulated depreciation/amortization	(1,410,555)	(99,494)	13,139	(1,496,910)
Total capital assets, being depreciated/amortized, net	1,467,319	(2,786)	233	1,464,766
Governmental activities capital assets, net	\$ 10,758,896	\$ 345,269	\$ (65,545)	\$ 11,038,620

Notes to the Financial Statements

For the Year Ended June 30, 2020

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated				
Land	\$ 568	\$ -	\$ -	\$ 568
Total capital assets, not being depreciated	<u>568</u>	<u>-</u>	<u>-</u>	<u>568</u>
Capital assets, being depreciated				
Buildings	1,407	-	-	1,407
Improvements other than buildings	5,638	-	-	5,638
Furniture and equipment	16,883	327	(65)	17,145
Total capital assets, being depreciated	<u>23,928</u>	<u>327</u>	<u>(65)</u>	<u>24,190</u>
Less accumulated depreciation for				
Buildings	(1,214)	(48)	-	(1,262)
Improvements other than buildings	(2,780)	(76)	-	(2,856)
Furniture and equipment	(6,905)	(764)	65	(7,604)
Total accumulated depreciation	<u>(10,899)</u>	<u>(888)</u>	<u>65</u>	<u>(11,722)</u>
Total capital assets, being depreciated, net	<u>13,029</u>	<u>(561)</u>	<u>-</u>	<u>12,468</u>
Business-type activities capital assets, net	<u>\$ 13,597</u>	<u>\$ (561)</u>	<u>\$ -</u>	<u>\$ 13,036</u>

Included in the table above are three Department of Corrections facilities that have been closed. These assets are idle, with a carrying value of \$8 million.

Current period depreciation and amortization expense was charged to functions of the primary government as follows (expressed in thousands):

Governmental activities:	
General government	\$ 6,315
Education, support services	137
Health services	1,109
Law, justice, public safety	38,875
Recreation, resource development	6,628
Social services	18,741
Transportation	15,923
Regulation of business	3,297
Unallocated	2,439
Depreciation and amortization on capital assets held by the State's internal service funds is charged to the various functions based on their use of the assets	6,030
Total depreciation/amortization expense - governmental activities	<u>\$ 99,494</u>
Business-type activities:	
Enterprise	\$ 888
Total depreciation/amortization expense - business-type activities	<u>\$ 888</u>

Notes to the Financial Statements

For the Year Ended June 30, 2020

Capital asset activity of the Nevada System of Higher Education for the year ended June 30, 2020, was as follows (expressed in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Nevada System of Higher Education:				
Capital assets, not being depreciated				
Construction in progress	\$ 199,188	\$ 141,630	\$ (157,913)	\$ 182,905
Land	165,906	1,710	(191)	167,425
Land improvements	288	-	(61)	227
Intangibles	642	61	-	703
Collections	11,981	122	(45)	12,058
Total capital assets, not being depreciated	<u>378,005</u>	<u>143,523</u>	<u>(158,210)</u>	<u>363,318</u>
Capital assets, being depreciated				
Buildings	2,951,584	213,343	(3,019)	3,161,908
Land improvements	164,173	10,231	(179)	174,225
Machinery and equipment	404,002	32,509	(17,045)	419,466
Intangibles	47,522	1,797	(18)	49,301
Library books and media	123,698	1,870	(1,629)	123,939
Total capital assets, being depreciated	<u>3,690,979</u>	<u>259,750</u>	<u>(21,890)</u>	<u>3,928,839</u>
Less accumulated depreciation for				
Buildings	(1,082,663)	(95,960)	-	(1,178,623)
Land improvements	(118,909)	(5,288)	115	(124,082)
Machinery and equipment	(307,548)	(27,099)	14,121	(320,526)
Intangibles	(38,909)	(5,019)	-	(43,928)
Library books and media	(119,373)	(2,115)	1,626	(119,862)
Total accumulated depreciation	<u>(1,667,402)</u>	<u>(135,481)</u>	<u>15,862</u>	<u>(1,787,021)</u>
Total capital assets being depreciated, net	<u>2,023,577</u>	<u>124,269</u>	<u>(6,028)</u>	<u>2,141,818</u>
Nevada System of Higher Education activity capital assets, net	<u>\$ 2,401,582</u>	<u>\$ 267,792</u>	<u>\$ (164,238)</u>	<u>\$ 2,505,136</u>

Note 8. Capital Lease Receivable

The State, as lessor, entered into a lease purchase agreement in fiscal year 2014 with the Nevada System of Higher Education (NSHE), a discretely presented component unit, as lessee. The agreement is to finance a building construction project at the Nevada State College. Construction was completed in fiscal year 2016. At the end of the lease, title to the buildings transfers to the NSHE. Construction was financed by Lease Revenue Certificates of Participation Series 2013 at 4.0-5.0% interest. Proceeds from the certificates of participation were used to pay the capitalized interest during the construction period, and NSHE began making capital lease principal and interest payments starting in fiscal year 2017.

The future minimum lease payments receivable for capital leases are as follows (expressed in thousands):

Year Ending June 30	Governmental Activities
2021	\$ 3,383
2022	3,381
2023	3,380
2024	3,381
2025	3,380
2026-2044	60,880
Total future minimum lease revenues	<u>\$ 77,785</u>

Notes to the Financial Statements

For the Year Ended June 30, 2020

Note 9. Short and Long -Term Obligations

A. Changes in Long-Term Obligations

The following is a summary of changes in long-term obligations of the primary government for the fiscal year ended June 30, 2020 (expressed in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Governmental activities:					
<i>Bonds payable:</i>					
General obligation bonds	\$ 1,207,097	\$ 160,170	\$ (184,986)	\$ 1,182,281	\$ 144,303
General obligation bonds-private placement	1,175	-	(1,175)	-	-
Special obligation bonds	745,295	-	(40,835)	704,460	42,875
Subtotal	1,953,567	160,170	(226,996)	1,886,741	187,178
Issuance premiums (discounts)	161,348	19,687	(33,703)	147,332	31,006
Total bonds payable	2,114,915	179,857	(260,699)	2,034,073	218,184
Certificates of participation	75,125	-	(2,880)	72,245	3,005
Certificates of participation-private placement	2,662	-	(359)	2,303	371
Subtotal	77,787	-	(3,239)	74,548	3,376
Issuance premiums (discounts)	315	-	(276)	39	224
Total certificates of participation	78,102	-	(3,515)	74,587	3,600
Other governmental long-term activities:					
Obligations under capital leases	14,870	-	(3,604)	11,266	3,724
Compensated absences obligations	104,659	92,372	(80,651)	116,380	88,175
Pollution remediation obligations	5,272	-	(272)	5,000	725
Total other governmental long-term activities	124,801	92,372	(84,527)	132,646	92,624
Governmental activities long-term obligations	\$ 2,317,818	\$ 272,229	\$ (348,741)	\$ 2,241,306	\$ 314,408
Business-type activities:					
<i>Bonds payable:</i>					
General obligation bonds	\$ 48,963	\$ 36,180	\$ (11,019)	\$ 74,124	\$ 11,197
Special obligation bonds	628,948	292,857	(45,890)	875,915	52,517
Subtotal	677,911	329,037	(56,909)	950,039	63,714
Issuance premiums (discounts)	3,142	8,698	(1,263)	10,577	1,403
Total bonds payable	681,053	337,735	(58,172)	960,616	65,117
Compensated absences obligations	1,919	1,840	(1,539)	2,220	1,717
Tuition benefits payable	211,105	5,592	(10,352)	206,345	19,182
Business-type activities long-term obligations	\$ 894,077	\$ 345,167	\$ (70,063)	\$ 1,169,181	\$ 86,016

The General Fund and special revenue funds typically liquidate the capital lease obligations. Compensated absence obligations are payable by the funds in which they are incurred and are primarily the General Fund and State Highway Fund. The debt service funds typically liquidate the arbitrage obligations.

B. Bonds Payable

The State issues general obligation bonds for the acquisition, construction and improvement of major capital facilities; buying local governments' bonds in the municipal bond bank fund; loans to municipalities for water projects; protection of natural resources; cultural affairs projects; the construction, reconstruction, improvement and maintenance of highways; and for refunding purposes. General obligation bonds are direct obligations and pledge the full faith and credit of the State.

Special obligation highway improvement revenue bonds provide funds for property acquisition and construction of highway projects. Special obligation housing bonds in the aggregate have a debt limit of \$5 billion and are used for housing loans or to purchase mortgage loans having both fixed and variable interest rates. Special obligation bonds are payable solely from gross pledged revenues and are not general obligations of the State.

Notes to the Financial Statements

For the Year Ended June 30, 2020

General obligation bonds and special obligation bonds of the primary government outstanding at June 30, 2020 are comprised of the following (expressed in thousands):

	Interest Rates	Original Amount	Principal Outstanding
Governmental activities:			
<i>General obligation bonds:</i>			
Subject to Constitutional Debt Limitation	3.0-5.0%	\$ 1,288,520	\$ 981,760
Exempt from Constitutional Debt Limitation	2.0-6.0%	267,176	200,521
<i>Special obligation bonds:</i>			
Exempt from Constitutional Debt Limitation- Highway Improvement Revenue Bonds	3.0-5.0%	869,925	704,460
Subtotal		<u>2,425,621</u>	<u>1,886,741</u>
<i>Issuance premiums (discounts)</i>		<u>363,202</u>	<u>147,332</u>
Governmental activities bonds payable		<u>2,788,823</u>	<u>2,034,073</u>
Business-type activities:			
<i>General obligation bonds:</i>			
Exempt from Constitutional Debt Limitation	2.0-5.5%	126,582	74,124
<i>Special obligation bonds:</i>			
Housing Bonds	*.50-6.95%	1,178,136	875,915
Subtotal		<u>1,304,718</u>	<u>950,039</u>
<i>Issuance premiums (discounts)</i>		<u>18,308</u>	<u>10,577</u>
Business-type activities bonds payable		<u>1,323,026</u>	<u>960,616</u>
Total bonds payable		<u>\$ 4,111,849</u>	<u>\$ 2,994,689</u>

*Many Housing bonds have variable rates of interest. The tax exempt bonds track the SIFMA Index while the federally taxable debt tracks the one-month LIBOR Index.

Debt service requirements (principal and interest) for all long-term bonds and notes outstanding at June 30, 2020, of the primary government are summarized in the table following (expressed in thousands):

Year Ending June 30	Governmental Activities				Business-Type Activities			
	General Obligation		Special Obligation		General Obligation		Special Obligation	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 144,303	\$ 52,809	\$ 42,875	\$ 30,658	\$ 11,197	\$ 2,884	\$ 52,517	\$ 28,925
2022	123,108	45,603	35,545	28,698	8,292	2,457	27,940	27,318
2023	117,924	39,419	37,225	26,943	7,756	2,121	8,191	32,993
2024	108,084	33,513	38,855	25,118	4,601	1,861	7,507	33,721
2025	111,727	28,156	40,675	23,142	5,458	1,629	10,781	33,272
2026-2030	376,315	68,452	233,715	83,698	20,085	5,097	50,794	128,599
2031-2035	158,110	21,654	235,115	31,703	15,055	1,513	132,774	114,456
2036-2040	42,710	2,538	40,455	2,124	1,680	91	130,839	86,613
2041-2045	-	-	-	-	-	-	71,861	72,640
2046-2050	-	-	-	-	-	-	38,248	64,109
2051-2055	-	-	-	-	-	-	254,463	32,991
2056-2060	-	-	-	-	-	-	90,000	12,439
Total	<u>\$ 1,182,281</u>	<u>\$ 292,144</u>	<u>\$ 704,460</u>	<u>\$ 252,084</u>	<u>\$ 74,124</u>	<u>\$ 17,653</u>	<u>\$ 875,915</u>	<u>\$ 668,076</u>

C. Constitutional Debt Limitations

Section 3, Article 9, of the State Constitution (as amended) limits the aggregate principal amount of the State's public debt to two percent (2%) of the assessed valuation of the State. Exempt from this limitation are debts authorized by the Legislature that are incurred for the protection and preservation of, or for obtaining the benefits of, any property or natural resources within the State. At June 30, 2020, the debt limitation and its unused portion are computed as follows (expressed in thousands):

Debt limitation (2% of total assessed valuation)	\$ 2,886,475
Less: Bonds and leases payable as of June 30, 2020, subject to limitation	(981,760)
Remaining debt capacity	<u>\$ 1,904,715</u>

D. Nevada Municipal Bond Bank

General obligation bonds have been issued through the Nevada Municipal Bond Bank, a special revenue fund, as authorized by NRS 350A. These bonds are subject to statutory limitation of \$1.8 billion and are exempt from the Constitutional Debt Limitation. Proceeds from the bonds are used to purchase validly issued general obligation bonds of the State's local governments to finance projects related to natural resources. The State anticipates that the debt service revenue it receives from

Notes to the Financial Statements

For the Year Ended June 30, 2020

the participating local governments will be sufficient to pay the debt service requirements of the State bonds as they become due. Eleven projects were funded through the Nevada Municipal Bond Bank as of June 30, 2020, and total outstanding loans to local governments amounted to \$83,680,000.

E. Refunded Debt and Redemptions

During the fiscal year 2020, the State of Nevada refunded \$56,895,000 in general obligation, limited tax, bonds related to capital improvement, cultural affairs and refunding by issuing refunding bonds with a total par amount of \$43,925,000 at a \$8,426,056 premium. Proceeds from refunding bonds and certificates were used to refund certain outstanding State debt to realize debt service savings. The refunding decreased the aggregate debt service payments by \$7,264,412 with an economic or present value gain of \$6,690,674. The reacquisition price exceeded the carrying amount of the old debt causing a deferred accounting loss of \$343,719. This amount is being reported as a deferred outflow of resources and amortized as an adjustment to interest expense over the life of the refunded debt or the refunding debt, whichever is shorter. The impact of the refunding issues is presented in the following table (expressed in thousands):

	Refunding Amount	Refunded Amount	Cash Flow Gain (Loss)	Present Value Gain
Capital Improvement Bonds Series 2009A	\$ 55,134	\$ 54,790	\$ 6,886	\$ 6,342
Capital Improvement, Cultural Affairs and Refunding Bonds Series 2009B	2,116	2,106	378	349
Total	\$ 57,250	\$ 56,896	\$ 7,264	\$ 6,691

F. Capital Leases

The State has entered into various agreements for the lease of vehicles and improvement of buildings. Assets of the primary government acquired under such leases at June 30, 2020 include vehicles and building improvements of \$32,159,486 with accumulated depreciation of \$12,511,624.

For all capital leases of the primary government, the gross minimum lease payments and the present value of the net minimum lease payments as of June 30, 2020 follow (expressed in thousands):

Year Ending June 30	Governmental Activities
2021	\$ 4,177
2022	2,981
2023	1,902
2024	1,977
2025	1,348
Total minimum lease payments	12,385
Less: amount representing interest	(1,119)
Obligations under capital leases	\$ 11,266

G. Certificates of Participation

In fiscal year 2014, the NRPC issued \$35,785,000 of Lease Revenue Refunding Certificates of Participation Series 2013 at 3.0-5.0% interest to refund the outstanding balances of Lease Revenue Certificates of Participation Series 2004 and 2004B, which were to finance the acquisition and construction of the State's Capitol Complex Building 1 and Casa Grande Projects respectively.

In fiscal year 2014, the NRPC issued \$50,445,000 of new Lease Revenue Certificates of Participation Series 2013 at 4.0-5.0% interest to finance the State's Nevada State College Project. The Project is leased to the Nevada System of Higher Education (NSHE), the State's discretely presented component unit. Meanwhile, the NRPC entered into a Ground Lease with respect to the real property on which the Project is located.

In fiscal year 2017, the NRPC issued \$3,730,000 of Lease Revenue Refunding Certificates of Participation Series 2016A at 2.22% interest to refund the outstanding balances of Lease Revenue Certificate of Participation Series 2006 which were to finance the design and construction of a warehouse addition to the Legislative Counsel Bureau's existing State Printing Office building in Carson City and resurfacing of the exterior of the existing building, together with related improvements on the premises. These Certificates of Participation are Privately Placed.

Under the lease revenue certificates of participation financing arrangements, the certificates are not general obligations of the State and are not backed by the faith and credit or the taxing power of the State. The State's obligation to pay base rent and make other payments to the trustee under the financing leases is subject to appropriation by the State. In the event that the State does not make a sufficient appropriation with respect to a Lease Purchase Agreement, that Lease Purchase Agreement will terminate.

Notes to the Financial Statements

For the Year Ended June 30, 2020

The following schedule presents future certificates of participation payments as of June 30, 2020 (expressed in thousands):

Year Ending June 30	Certificates of Participation		Certificates of Participation-Private Placements	
	Principal	Interest	Principal	Interest
2021	\$ 3,005	\$ 3,411	\$ 371	\$ 51
2022	3,140	3,270	377	43
2023	3,295	3,113	388	35
2024	3,465	2,948	393	26
2025	3,640	2,775	402	17
2026-2030	20,860	11,193	372	8
2031-2035	12,945	6,996	-	-
2036-2040	12,685	4,228	-	-
2041-2045	9,210	936	-	-
Total	\$ 72,245	\$ 38,870	\$ 2,303	\$ 180

H. Tuition Benefits Payable

The Higher Education Tuition Trust Fund, an enterprise fund, reports benefits payable as shown in Section A based upon the actuarial present value (APV) of the future tuition obligations and administrative expenses that will be paid in future years. The present value calculation includes the effects of projected tuition and fee increases and termination of contracts as follows (expressed in thousands):

APV of the future tuition obligation	\$	206,345
Net position available		348,302
Net position as a percentage of tuition benefits obligation		168.80 %

The actuarial valuation used an investment yield assumption of 5.25% per year and tuition growth assumptions as follows:

	Universities	Community Colleges
2021-22	2.80%	2.80%
2022-23	2.80%	2.80%
2023-24	2.50%	2.50%
2024-25 and later	4.00%	3.50%

I. Arbitrage Rebate Requirement

The Tax Reform Act of 1986 imposes a rebate requirement with respect to some bonds issued by the State. Under this requirement, an amount equal to the sum of (a) the excess of the aggregate amount earned on all investments (other than certain specified exceptions) over the amount that would have been earned if all investments were invested at a rate equal to the yield on the bonds, and (b) any income earned on the excess described in (a) must be rebated to the United States Treasury, in order for the interest on the bonds to be excluded from gross income for federal income tax purposes. In accordance with the Internal Revenue Service Regulations, arbitrage rebate liability calculated as of June 30, 2020 is \$0.

J. Conduit Debt Obligations

The State has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of commercial facilities deemed to be in the public interest. During the 2013 session, the Nevada Legislature enacted the Charter School Financing Law, which authorizes the issuance of Charter School Bonds and other obligations to finance the acquisition, construction, improvement, maintenance or furnishing of land, buildings and facilities for Charter Schools in the State of Nevada. The above two types of bonds are secured by the properties financed and are payable solely from payments received on the underlying mortgage loans. The State is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2020 there are seven series of Industrial Revenue Bonds and five series of Charter School Bonds outstanding, with an aggregate principal amount payable of \$389,757,000.

K. Pledged Revenue

Pledged motor vehicle and special fuel tax - The State has pledged a portion of future motor vehicle fuel and special fuel tax revenues as well as federal aid for eligible projects to repay the Highway Improvement Revenue Bonds that were issued for

Notes to the Financial Statements

For the Year Ended June 30, 2020

highway construction projects and property acquisition purposes. As of June 30, 2020, the outstanding balance of Highway Improvement Revenue and Refunding bonds is \$704,460,000. The total of principal and interest remaining on the bonds is \$956,544,381 payable through December 2037. Upon completion of eligible projects, federal aid of \$368,000,000 is expected to be received in fiscal year 2021. For the current year, principal and interest paid was \$73,585,988 and total motor vehicle fuel and special fuel tax revenues were \$296,392,580.

Pledged future lease rental payments – With respect to each series of Lease Revenue Certificates of Participation, the NRPC, a blended component unit, has pledged its rights, title and interest in the applicable Ground Lease and Lease Purchase Agreement to the Trustee (including the right to receive payments of base rent and other payments). As of June 30, 2020, the outstanding balance of Lease Revenue Certificates of Participation is \$74,548,000. The total of principal and interest remaining on the certificates is \$113,598,980 payable through June 2043. In fiscal year 2020, principal and interest of \$6,835,984 was paid. Building rent of \$7,000,000 is expected to be collected in fiscal year 2021, which will be used to pay the fiscal year 2021 debt service principal and interest of \$6,838,514.

Pledged Nevada Housing Division program funds – The single-family bonds are payable from, and secured by, a pledge of the proceeds derived from the sale of bonds; the rights and interest of the Housing Division in all mortgage loans purchased under the various bond certificates; revenues which primarily include mortgage repayments and the net income, if any, derived as a result of foreclosure or other action taken in the event of a default on such a mortgage loan; curtailments, consisting generally of all amounts representing monthly principal payments with respect to mortgage loans which are received in advance of the scheduled amortization thereof; and all earnings realized by the investment of monies in all funds and accounts as well as all funds and accounts created by the various bond certificates.

The multi-unit bonds are payable from, and secured by, a pledge of the proceeds derived from the sale of bonds; all earnings realized from the investment of bond proceeds; after permanent financing, all revenues received from the development including housing assistance and rental payments made by tenants, notes receivable collateralized by deeds of trust and the rights to FHA insurance, draws on bank letters of credit, private mortgage and hazard insurance and condemnation proceeds.

As of June 30, 2020, the outstanding balance of single-family and multi-unit bonds is \$875,914,539. The total of principal and interest remaining on the bonds is \$1,548,316,293 payable through February 2058. In fiscal year 2020, principal and interest of \$63,498,003 was paid. As of June 30, 2020, \$151,373,095 was held by the trustee for the benefit of the single-family bondholders. The amount of payments received for mortgage loans in fiscal year 2020 is \$249,442,206. One hundred million is expected to be collected in fiscal year 2021, which, along with assets held by the trustee, will be used to pay the fiscal year 2021 debt service principal and interest of \$81,589,554.

L. Pollution Remediation Obligation

Currently there are three sites in Nevada in various stages of pollution cleanup associated with contaminated soil and groundwater. The pollution remediation liabilities associated with these sites were measured using the expected cash flow technique. Liability estimates are subject to change due to price increases or reductions, technology, or changes in applicable laws or regulations governing the remediation efforts. The State does not anticipate recovering reimbursements from the parties who caused the pollution. As of June 30, 2020 the total pollution remediation obligation is \$5,000,000.

M. Component Unit Obligations

Nevada System of Higher Education (NSHE) – Bonds, notes, capital leases and compensated absences payable by NSHE at June 30, 2020 and the changes for the year then ended, consist of the following (expressed in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds and notes payable	\$ 717,562	\$ 74,460	\$ (43,813)	\$ 748,209	\$ 65,980
Issuance premiums (discounts)	41,358	4,889	(3,495)	42,752	3,341
Total bonds payable	758,920	79,349	(47,308)	790,961	69,321
Obligations under capital leases	52,104	1,588	(2,283)	51,409	2,600
Compensated absences obligations	55,048	41,571	(32,740)	63,879	42,762
Total	\$ 866,072	\$ 122,508	\$ (82,331)	906,249	114,683
Discretely presented component units of the NSHE:					
Bonds and notes payable				1,602	340
Compensated absences obligations				435	-
Obligations under capital leases				453	254
Total				\$ 908,739	\$ 115,277

Notes to the Financial Statements

For the Year Ended June 30, 2020

Tuition and fees, auxiliary enterprises' revenue and certain other revenue as defined in the bond indentures secure the revenue bonds.

The following table presents annual principal and interest payments for bonds and notes payable outstanding by NSHE at June 30, 2020 (expressed in thousands):

Year Ending June 30	Principal	Interest
2021	\$ 65,980	\$ 25,566
2022	39,464	23,417
2023	37,444	22,108
2024	33,053	20,788
2025	30,340	19,471
2026-2030	144,138	79,390
2031-2035	154,225	50,831
2036-2040	105,900	27,675
2041-2045	85,610	13,093
2046-2050	48,750	2,664
2051-2055	3,305	50
	<u>748,209</u>	<u>285,053</u>
Premiums	42,752	-
Total	<u><u>\$ 790,961</u></u>	<u><u>\$ 285,053</u></u>

Future net minimum rental payments which are required under the capital leases by NSHE for the years ending June 30 are as follows (expressed in thousands):

Year Ending June 30	Amount
2021	\$ 5,057
2022	4,827
2023	3,806
2024	3,863
2025	3,704
2026-2030	17,184
Thereafter	<u>46,135</u>
Total minimum lease payments	84,576
Less: amount representing interest	<u>(33,167)</u>
Obligations under capital leases	<u><u>\$ 51,409</u></u>

Colorado River Commission (CRC) – Bonds and compensated absences payable by CRC at June 30, 2020, and the changes for the year then ended, consist of the following (expressed in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
General obligation bonds	\$ 27,480	\$ -	\$ (740)	\$ 26,740	\$ 755
Issuance premiums (discounts)	(144)	-	6	(138)	-
Total bonds payable	<u>27,336</u>	<u>-</u>	<u>(734)</u>	<u>26,602</u>	<u>755</u>
Compensated absences obligations	458	247	(186)	519	329
Total	<u><u>\$ 27,794</u></u>	<u><u>\$ 247</u></u>	<u><u>\$ (920)</u></u>	<u><u>\$ 27,121</u></u>	<u><u>\$ 1,084</u></u>

Scheduled maturities for bonds payable by CRC for the years ending June 30 are as follows (expressed in thousands):

Year Ending June 30	Principal	Interest
2021	\$ 755	\$ 1,033
2022	770	1,015
2023	800	994
2024	815	971
2025	835	945
2026-2030	4,655	4,258
2031-2035	5,610	3,266
2036-2040	6,580	1,960
2041-2045	5,920	516
Total	<u><u>\$ 26,740</u></u>	<u><u>\$ 14,958</u></u>

N. Short-Term Obligations

Primary Government - There was no short-term debt outstanding at July 1, 2019 or June 30, 2020.

Notes to the Financial Statements

For the Year Ended June 30, 2020

Note 10. 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 each pension plan and additions to/deductions from each pension plan's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments and refunds of employee contributions are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

The aggregate pension related amounts for the primary government consist of a net pension liability of \$2,290,133,549, deferred outflows of resources of \$423,289,621, deferred inflows of resources of \$223,906,429, pension expenditures of \$231,781,268 and pension expense of \$11,560,514. Pension expenditures and expense total \$243,341,782. The State's defined benefit pension plans are described in detail below.

The aggregate pension related amounts for discretely presented component units consist of a net pension liability of \$420,022,027, deferred outflows of resources of \$83,110,150, deferred inflows of resources of \$33,104,680 and pension expense of \$16,964,410.

A. Public Employees' Retirement System of Nevada

Plan Description – The Public Employees' Retirement System (PERS) was established in 1947 by the Nevada Legislature and is governed by the Public Employees' Retirement Board whose seven members are appointed by the governor. PERS administers a cost-sharing multiple-employer defined benefit pension plan that covers qualified State employees and employees of participating local government entities in the State. Any public employer in the State may elect to have its regular and police/fire employees covered by PERS. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERS issues a publicly available financial report that includes financial statements and the required supplementary information for the System. That report may be obtained on the PERS website at www.nvpers.org.

Pension Benefits – Benefits provided to participants or their beneficiaries include retirement, disability, and survivor benefits. 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, with special provisions for members entering the System on or after January 1, 2010. Members become fully vested as to benefits upon completion of 5 years of service. Unreduced benefits are available, depending upon when the member entered the System, as follows:

Regular Members	Police/Fire Members
<u>Before January 1, 2010</u>	<u>Before January 1, 2010</u>
Age 65 with 5 years of service	Age 65 with 5 years of service
Age 60 with 10 years of service	Age 55 with 10 years of service
Any age with 30 years of service	Age 50 with 20 years of service
	Any age with 25 years of service
<u>On or after January 1, 2010</u>	<u>On or after January 1, 2010</u>
Age 65 with 5 years of service	Age 65 with 5 years of service
Age 62 with 10 years of service	Age 60 with 10 years of service
Any age with 30 years of service	Age 50 with 20 years of service
	Any age with 30 years of service
<u>On or after July 1, 2015</u>	<u>On or after July 1, 2015</u>
Age 65 with 5 years of service	Age 65 with 5 years of service
Age 62 with 10 years of service	Age 60 with 10 years of service
Age 55 with 30 years of service	Age 50 with 20 years of service
Any age with 33.3 years of service	Any age with 33.3 years of service

Members with the years of service necessary to receive a retirement benefit but who have not reached the age for an unreduced benefit may retire at any age with the benefit reduced by 4% (for members entering the System before January 2, 2010) or 6% (for members entering the System on or after January 1, 2010) for each full year they are under the required age.

Notes to the Financial Statements

For the Year Ended June 30, 2020

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% multiplier. Lastly, for members entering the System on or after July 1, 2015, there is a 2.25% multiplier. PERS 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.

Retirees are eligible for annual benefit increases if they began receiving benefits at least 3 years before the effective date of the increase. Benefits are increased annually on the first day of the month following the anniversary of the commencement of benefits. The increases begin at 2% in years 4, 5 and 6; increase to 3% in years 7, 8 and 9; 3.5% in years 10, 11 and 12; 4% for years 13 and 14; and 5% in year 15 and each year thereafter. For retirees entering the System on or after January 1, 2010, increases are capped at 4% in year 13 and each year thereafter. If the benefit outpaces inflation in the period since retirement, the increase may be capped by a rolling three-year average of the Consumer Price Index (all items). For retirees entering the System on or after July 1, 2015, the increases begin at 2% in years 4, 5 and 6; increase to 2.5% in years 7, 8 and 9; the lesser of 3% or the increase, if any, in the Consumer Price Index (all items) for the preceding calendar years following year 10 and every year thereafter.

Member and Employer Contributions - The authority for establishing and amending the obligation to make contributions, and member contribution rates, is set by statute. New hires of the State of Nevada and public employers have the option of selecting either the employee/employer contribution plan or the employer-pay contribution plan. Under the employee/employer contribution plan, the employee and the employer each make matching contributions. Under the employer-pay contribution plan, the employer pays all contributions on the employee's behalf; however, the employee shares equally in the cost of the contribution rate either through salary reduction or in lieu of a promised pay increase.

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 in order to accumulate sufficient assets to pay benefits when due. Although PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis, contributions actually 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.

Required contribution rates for employers and for active plan members, as a percentage of covered payroll, for the fiscal year ended June 30, 2020 were as follows:

	Statutory Rate	
	Employer	Employees
Regular employees:		
Employer-pay plan	29.25 %	-
Employee/employer plan (matching rate)	15.25 %	15.25 %
Police and Fire employees:		
Employer-pay plan	42.50 %	-
Employee/employer plan (matching rate)	22.00 %	22.00 %

The primary government contributions recognized as part of pension expense for the current fiscal year ended June 30, 2020 were \$161,627,368 and discretely presented component unit contributions totaled \$28,972,042.

Pension Liabilities, Pension Expenditure/Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Primary Government - At June 30, 2020, the State reported a liability of \$2,278,610,292, for its proportionate share of the net pension liability. The 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 State's proportion of the net pension liability was based on the State's share of contributions in PERS pension plan relative to the total contributions of all participating PERS employers and members. At June 30, 2019, the State's proportion was 16.71%, an increase of .22% from its proportion measured at June 30, 2018.

For the year ended June 30, 2020, the State recognized pension expenditure of \$228,152,923 and pension expense of \$11,560,514. At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (expressed in thousands):

Notes to the Financial Statements

For the Year Ended June 30, 2020

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 85,445	\$ (65,724)
Changes of assumption	92,730	-
Net difference between projected and actual earnings on pension plan investments	-	(113,353)
Changes in proportionate share of contributions	62,575	(40,173)
State contributions subsequent to the measurement date	177,255	-
Total	<u>\$ 418,005</u>	<u>\$ (219,250)</u>

Deferred outflows of resources of \$177,255,222 for contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (expressed in thousands):

Year Ended June 30:	
2021	\$ 2,934
2022	(32,115)
2023	25,119
2024	13,951
2025	10,025
Thereafter	1,586

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Nevada System of Higher Education (NSHE) - At June 30, 2020, the NSHE reported a liability of \$414,036,000, for its proportionate share of the net pension liability. The 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 NSHE's proportion of the net pension liability was based on the NSHE's share of contributions in PERS pension plan relative to the total contributions of all participating PERS employers and members. At June 30, 2019, the NSHE's proportion was 3.04%, an increase of .12% from its proportion measured at June 30, 2018.

For the year ended June 30, 2020, the NSHE recognized pension expense of \$16,420,000. At June 30, 2020, the NSHE reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (expressed in thousands):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 15,526	\$ (11,675)
Changes of assumption	16,850	-
Net difference between projected and actual earnings on pension plan investments	-	(20,136)
Changes in proportionate share of contributions	19,088	(728)
NSHE contributions subsequent to the measurement date	30,564	-
Total	<u>\$ 82,028</u>	<u>\$ (32,539)</u>

Deferred outflows of resources of \$30,564,000 for contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (expressed in thousands):

Year Ended June 30:	
2021	\$ 134,780
2022	(908,084)
2023	249,473
2024	309,038
2025	175,630
Thereafter	20,238

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Colorado River Commission (CRC) - At June 30, 2020, the CRC reported a liability of \$5,986,027, for its proportionate share

Notes to the Financial Statements

For the Year Ended June 30, 2020

of the net pension liability. The 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 CRC's proportion of the net pension liability was based on the CRC's share of contributions in PERS pension plan relative to the total contributions of all participating PERS employers and members. At June 30, 2019, the CRC's proportion was .04%, no change from its proportion measured at June 30, 2018.

For the year ended June 30, 2020, the CRC recognized pension expense of \$544,410. At June 30, 2020, the CRC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (expressed in thousands):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 224	\$ (173)
Changes of assumption	244	-
Net difference between projected and actual earnings on pension plan investments	-	(298)
Changes in proportionate share of contributions	150	(95)
CRC contributions subsequent to the measurement date	465	-
Total	<u>\$ 1,083</u>	<u>\$ (566)</u>

Deferred outflows of resources of \$465,000 for contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (expressed in thousands):

Year Ended June 30:	
2021	\$ 24
2022	(102)
2023	51
2024	45
2025	29
Thereafter	5

Actuarial Assumptions – The 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:

<i>Inflation rate:</i>	2.75%
<i>Payroll growth:</i>	5.00%, including inflation
<i>Investment rate of return:</i>	7.50%
<i>Productivity pay increase:</i>	0.50%
<i>Projected salary increases:</i>	Regular: 4.25% to 9.15%, depending on service Police/Fire: 4.55% to 13.90%, depending on service Rates include inflation and productivity increases
<i>Consumer price index:</i>	2.75%
<i>Other assumptions:</i>	Same as those used in the June 30, 2019 funding actuarial valuation

Mortality rates 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 ages less than 50, mortality rates are based on the Headcount-Weighted RP-2014 Employee Mortality Tables. Those mortality rates are adjusted by the ratio of the mortality rate for healthy annuitants at age 50 to the mortality rate for employees at age 50. The mortality rates are then projected to 2020 with Scale MP-2016. Mortality rates for disabled members were based on the Headcount-Weighted RP-2014 Disabled Retiree Table, set forward four years. Mortality rates for pre-retirement members were based on the Headcount-Weighted RP-2014 Employee Table, projected to 2020 with Scale MP-2016.

Notes to the Financial Statements

For the Year Ended June 30, 2020

Actuarial assumptions used in the June 30, 2019 valuation were based on an experience study for the period from July 1, 2012, through June 30, 2016.

Investment Policy - The PERS Board evaluates and establishes the investment portfolio target asset allocations and the expected real rates of return (expected returns, net of investment expenses and inflation) for each asset class. The Board reviews these asset allocations and capital market expectations annually. The System's target asset allocations and current long-term geometric expected real rates of return for each asset class included in the fund's investment portfolio as of June 30, 2019, are included in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Geometric Expected Real Rate of Return</u>
U.S. stocks	42%	5.50%
International stocks	18%	5.50%
U.S. bonds	28%	0.75%
Private markets	12%	6.65%

Discount Rate – The discount rate used to measure the total pension liability was 7.5% as of June 30, 2019. 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 benefits for all plan members and their beneficiaries are included, except that 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, 2019.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the proportionate share of the net pension liability at June 30, 2019 calculated using the discount rate of 7.5%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate (expressed in thousands):

	<u>1% Decrease in Discount Rate (6.5%)</u>	<u>Discount Rate (7.5%)</u>	<u>1% Increase in Discount Rate (8.5%)</u>
Primary government - net pension liability	\$ 3,528,152	\$ 2,278,610	\$ 1,239,924
Nevada System of Higher Education - net pension liability	641,086	414,036	225,301
Colorado River Commission - net pension liability	9,269	5,986	3,257

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS' report.

Payables to the Pension Plan – At June 30, 2020, the primary government reported payables to the defined benefit pension plan of \$18,230,405 for legally required employer contributions which had been withheld from employee wages but not yet remitted to PERS.

B. Legislators' Retirement System of Nevada

Plan Description – The Legislators' Retirement System (LRS) is a single-employer defined benefit pension plan established in 1967 by the Nevada Legislature (NRS 218C) and is governed by the Public Employees' Retirement Board whose seven members are appointed by the governor. All State Legislators are members. LRS issues a publicly available financial report that includes financial statements and the required supplementary information for the System. LRS' financial report may be obtained from the Public Employees' Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

Notes to the Financial Statements

For the Year Ended June 30, 2020

At June 30, 2019, the LRS pension plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	72
Inactive vested members	11
Inactive non-vested members	33
Active members	35
Total	151

Pension Benefits – Benefits are determined by the number of years of accredited service at the time of retirement. Service years include the entire election term whether or not the Legislature is in session. Benefits payments to which participants may be entitled under the plan include pension and survivor benefits. Monthly benefit allowances are \$25 for each year of service up to 30 years.

If a Legislator is newly elected after July 1, 1985, they must have at least 10 years of service, be age 60, and no longer be a Legislator in order to retire without benefit reduction. If a Legislator is no longer serving and has at least 10 years of service but is under the age of 60, they can elect to wait to receive their benefit until the age of 60 or begin receiving a reduced benefit prior to the age of 60. The minimum requirement for an unreduced benefit for a Legislator elected prior to July 1, 1985, is 8 years of accredited service at age 60.

Members are eligible for post-retirement benefit increases based on their effective date of membership. For members with an effective date of membership before January 1, 2010, the lesser of: (a) 2% per year following the third anniversary of the commencement of benefits, 3% per year following the sixth anniversary, 3.5% per year following the ninth anniversary, 4% per year following the twelfth anniversary and 5% per year following the fourteenth anniversary, or (b) the average percentage increase in the Consumer Price Index (or other Board approved index) for the three preceding years. In any event, a member's benefit must be increased by the percentages in (a) if it has not been increased at a rate greater than or equal to the average of the Consumer Price Index (CPI) (All items) (or other Board approved index) for the period between retirement and the date of increase. For members with an effective date of membership on or after January 1, 2010, and prior to July 1, 2015, same as above, except the increases in (a) above do not exceed 4% per year. For members with an effective date of membership on or after July 1, 2015, 2% per year following the third through fifth anniversaries of the commencement of benefits; 2.5% per year following the sixth through eighth anniversaries. On succeeding anniversaries, the annual increase shall be the lesser of 3% or the CPI for the preceding calendar year. For future retirees, those hired prior to 2010 are assumed to reach the cap after 16 years of retirement. Those hired in between 2010 and 2015 are also assumed to reach the cap after 16 years of retirement. Those hired after 2015 will never receive an annual increase that exceeds 2.75. Underlying all of these assumptions is that CPI will grow over time at a rate of 2.75% per year.

Member and Employer Contributions - The employee contribution of 15% of compensation is paid by the employee only when the Legislature is in session, as required by statute. The Legislature holds sessions every two years. Prior to 1985, the employee contributions were matched by the employer. The 1985 Legislators' Retirement Act includes NRS 218C.390(2) which states, "The Director of the Legislative Counsel Bureau shall pay to the Board from the Legislative Fund an amount as the contribution of the State of Nevada as employer which is actuarially determined to be sufficient to provide the System with enough money to pay all benefits for which the System will be liable." The Legislature appropriated \$195,870 for fiscal years 2019 and 2020, which is the required State contribution as determined by the actuary. This amount was paid by the State of Nevada to the Legislative fund during fiscal 2019, of which \$97,935 (half) was recognized as employer contributions in the fiscal year 2019, and the other half has been recognized as employer contributions in fiscal year 2020.

State contributions recognized as part of pension expense for the fiscal year ended June 30, 2020 were \$97,935.

LRS' basic funding policy provides for contributions by the State based on a biennial actuarial valuation prepared per NRS 281C.390(2). The Actuarially Determined Employers' Contribution (ADEC) includes the employer's normal cost and a provision for amortizing the Unfunded Actuarial Accrued Liability (UAAL). Beginning July 1, 2014, actuarial valuations are done annually. Effective with the January 1, 2009 valuation, the UAAL is amortized as a level dollar amount over a declining amortization period of 20 years. Any increases or decreases in the UAAL that arise in future years will be amortized over separate 20-year periods. In addition, the Actuarial Value of Assets (AVA) was limited to not less than 75% or greater than 125% of market value. The actuarial funding method used is the Entry Age Normal Cost Method.

Pension Liabilities, Pension Expenditure, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2020, the State reported a net pension liability of \$126,739. The net pension liability was measured as

Notes to the Financial Statements

For the Year Ended June 30, 2020

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.

For the year ended June 30, 2020, the State recognized pension income of \$167,401. At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ (10)
Differences between expected and actual experience	-	(52)
State contributions subsequent to the measurement date	98	-
Total	\$ 98	\$ (62)

Deferred outflows of resources of \$97,935 for contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (expressed in thousands):

Year Ended June 30	
2021	\$ 1
2022	(50)
2023	(13)
2024	-
2025	-
Thereafter	-

The following table presents the changes in the net pension liability for LRS for the year ended June 30, 2019 (expressed in thousands):

	2019
Total pension liability	
Service cost	\$ 29
Interest	372
Difference between expected and actual experience	(266)
Benefit payments, including refunds	(470)
Net change in total pension liability	(335)
Total pension liability - beginning	5,165
Total pension liability - ending (a)	\$ 4,830
Plan fiduciary net position	
Contributions - employer	\$ 98
Contributions - plan member	24
Net investment income	342
Benefit payments, including refunds	(470)
Administration expenses	(75)
Other	76
Net change in plan fiduciary net position	(5)
Plan fiduciary net position - beginning	4,708
Plan fiduciary net position - ending (b)	\$ 4,703
Net pension liability - beginning	\$ 457
Net pension liability - ending (a) - (b)	\$ 127
Plan fiduciary net position as a percentage of total pension liability	97%
Covered payroll	N/A
Net pension liability as a percentage of covered payroll	N/A

Notes to the Financial Statements

For the Year Ended June 30, 2020

Actuarial Assumptions – The State’s 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:

<i>Inflation rate:</i>	2.75%
<i>Investment rate of return:</i>	7.50%
<i>Projected salary increases:</i>	2.75%
<i>Consumer price index:</i>	2.75%
<i>Other assumptions:</i>	Same as those used in the June 30, 2019 funding actuarial valuation

Mortality rates were based on the Headcount-Weighted RP-2014 Mortality Tables, projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries. For ages less than 50, mortality rates are based on the Headcount-Weighted RP-2014 Employee Mortality Tables. Those mortality rates are adjusted by the ratio of the mortality rate for members at age 50 to the mortality at age 50 from the Employee mortality tables. The mortality rates are projected to 2020 with Scale MP-2016. The RP-2014 Headcount-Weighted Mortality Tables, set forward one year for spouses and beneficiaries, reasonably reflect the projected mortality experience of the Plan as of the measurement date. The additional projection of 6 years is a provision made for future mortality improvement. No pre-retirement mortality is assumed.

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of the actuarial experience study for the period July 1, 2012, through June 30, 2017.

Investment Policy – The Retirement Board evaluates and establishes the investment portfolio target asset allocations and the expected real rates of return (expected returns, net of investment expenses and inflation) for each asset class. The Board reviews these asset allocations and capital market expectations annually. The System’s target asset allocations and current long-term expected real rates of return for each asset class included in the fund’s investment portfolio as of June 30, 2019, are included in the following table.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Geometric Expected Real Rate of Return</u>
U.S. stocks	51%	5.50%
International stocks	22%	5.50%
U.S. bonds	28%	0.75%

Discount Rate – The discount rate used to measure the total pension liability was 7.5% as of June 30, 2019. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, 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.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability calculated using the discount rate of 7.5%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate (expressed in thousands):

	<u>1% Decrease in Discount Rate (6.5%)</u>	<u>Discount Rate (7.5%)</u>	<u>1% Increase in Discount Rate (8.5%)</u>
Net pension liability	\$ 545	\$ 127	\$ (232)

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued LRS report.

Payables to the Pension Plan – At June 30, 2020, the State had no payables to the defined benefit pension plan for legally required employer contributions.

Notes to the Financial Statements

For the Year Ended June 30, 2020

C. Judicial Retirement System of Nevada

Plan Description – The Judicial Retirement System (JRS) is an agent multiple-employer defined benefit pension plan established in 2001 by the Nevada Legislature (NRS 1A.160) and is governed by the Public Employees’ Retirement Board whose seven members are appointed by the governor. The JRS was established to provide benefits in the event of retirement, disability, or death of justices of the Supreme Court, district judges, municipal court judges and justices of the peace, funded on an actuarial reserve basis. JRS issues a publicly available financial report that includes financial statements and the required supplementary information for the System. JRS’ financial report may be obtained from the Public Employees’ Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

At June 30, 2019, the JRS pension plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	83
Inactive vested members	2
Active members	112
Total	197

Pension Benefits - Benefits are paid according to various options contained in pertinent statutes, dependent upon whether a member was serving as a Supreme Court justice or district judge before November 5, 2002. Retiring members who were serving as a judge before November 5, 2002 may select among the two benefit options below. Retiring members who began serving as a justice or judge on or after November 5, 2002 may select only the first option below.

Option 1 - 2003 Benefit Plan: Benefits, as required by statute, are computed at 3.4091% per year of accredited service at the time of retirement times the member’s highest average compensation in any 36 consecutive months, to a maximum of 75%. Benefit payments to which participants may be entitled under the plan include pension benefits, disability benefits and survivor benefits.

Option 2 – Previous Benefit Plan: Retiring members who were serving as a Supreme Court justice or district judge prior to November 5, 2002 may select benefit payments computed at 4.1666% for each year of service, up to a total maximum of 22 years, times the member’s compensation for their last year of service.

Members who retired under the Previous Benefit Plan (plan in effect before November 5, 2002) and are appointed as senior judges can earn service credit while receiving their pension payments. They are eligible to have their benefit recalculated each time they earn an additional year of service credit.

Members enrolled in the Judicial Retirement Plan on or after July 1, 2015 will receive 3.1591% for each year of service. Each member is entitled to a benefit of not more than 75% and must contribute 50% of the contribution rate through payroll deductions.

Members of the System become fully vested after five years of service. A member of the System is eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, or at any age with 30 years of service. For those members who were serving as a Supreme Court justice or district judge prior to November 5, 2002, and selected the second benefit option, eligibility for retirement is at age 60 with five years of service.

Members enrolled on or after July 1, 2015, become fully vested after five years of service. Eligible retirement age is 65 with five years of service, at age 62 with 10 years of service, age 55 with 30 years of service, and at any age with 33 1/3 years of service.

Member and Employer Contributions –The participating employers submit the percentage of compensation determined by the actuary to pay the normal costs and administrative expenses. Also, the participating employers pay to the JRS an amount on the unfunded liability which is actuarially determined to be sufficient to enable the JRS to pay all current benefits for which the JRS is liable.

JRS’ basic funding policy provides for contributions by the participating employers based on an actuarial valuation prepared per Nevada Revised Statute (NRS 1A.180(1)). The amount of the annual contribution required to fund the System is comprised of a normal cost payment and a payment on the Unfunded Actuarial Accrued Liability (UAAL). Effective January 1, 2009, UAAL is amortized over a year-by-year closed amortization period as a level percent of pay (3% payroll growth assumed) where each amortization period will be set at 30 years for State judges (Supreme Court justices and district judges) and 20 years for each non-state agency. Any increases or decreases in UAAL that arise in future years will be amortized over separate 30-year periods for State judges and 20-year periods for non-state judges. The actuarial funding method used is the Entry Age Normal Cost Method.

Notes to the Financial Statements

For the Year Ended June 30, 2020

The State's annual actuarially determined contribution to fund the System at June 30, 2020 was \$5,299,834 and the actual contribution made was \$4,776,295.

Pension Liability, Pension Expenditure, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2020, the State reported a liability of \$11,396,418 for its net pension liability for the JRS pension plan. The 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 State's net pension liability was based on an individual basis and based on the plan provisions and benefit accrual rates applicable to that individual.

For the year ended June 30, 2020, the State recognized pension expenditure of \$3,795,746. At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 334	\$ (3,284)
Change of assumptions	23	(1,211)
Changes in proportion and differences between State contributions and proportionate share of contributions	53	(99)
State contributions subsequent to the measurement date	4,776	-
Total	\$ 5,186	\$ (4,594)

Deferred outflows of resources of \$4,776,295 for contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (expressed in thousands):

Year Ended June 30:	
2021	\$ (1,267)
2022	(1,918)
2023	(953)
2024	(46)
2025	-
Thereafter	-

The following table presents the changes in the net pension liability for JRS for the year ended June 30, 2019 (expressed in thousands):

	2019
Total pension liability	
Service cost	\$ 4,092
Interest	10,415
Differences between expected and actual experience	(30)
Benefit payments, including refunds	(6,119)
Other	220
Net change in total pension liability	8,578
Total pension liability - beginning	137,726
Total pension liability - ending (a)	\$ 146,304
Plan fiduciary net position	
Contributions - employer	\$ 5,265
Employee purchase of service	473
Net investment income	9,551
Benefit payments, including refunds	(6,119)
Administrative expenses	(106)
Other	220
Net change in plan fiduciary net position	9,284
Plan fiduciary net position - beginning	124,374
Plan fiduciary net position - ending (b)	\$ 133,658
Net pension liability - beginning	\$ 13,352
Net pension liability - ending (a) - (b)	\$ 12,646
Plan fiduciary net position as a percentage of total pension liability	91%
Covered payroll (measurement as of end of fiscal year)	\$ 20,353
Net pension liability as a percentage of covered payroll	62%

Notes to the Financial Statements

For the Year Ended June 30, 2020

Actuarial Assumptions – The State’s 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:

<i>Inflation rate:</i>	2.75%
<i>Investment rate of return:</i>	7.50%
<i>Projected salary increases:</i>	3.00% to 8.00%, varying by service
<i>Consumer Price Index:</i>	2.75%
<i>Other assumptions:</i>	Same as those used in the June 30, 2019 funding actuarial valuation

Post-Retirement mortality rates were based on Headcount-Weighted RP-2014 Healthy Annuitant Mortality Tables, projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries. For ages less than 50, mortality rates are based on the Headcount-Weighted RP-2014 Employee Mortality Tables. Those mortality rates are adjusted by the ratio of the mortality rate for members at age 50 to the mortality at age 50 from the Employee mortality tables. The mortality rates are then projected to 2020 with Scale MP-2016. Pre-Retirement mortality rates were based on Headcount-Weighted RP-2014 Employee Mortality Tables, projected to 2020 with Scale MP-2016.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of the actuarial experience study for the period July 1, 2012, through June 30, 2016.

Investment Policy – The Retirement Board evaluates and establishes the investment portfolio target asset allocations and the expected real rates of return (expected returns, net of investment expenses and inflation) for each asset class. The Board reviews these asset allocations and capital market expectations annually. The System’s target asset allocations and current long-term expected real rates of return for each asset class included in the fund’s investment portfolio as of June 30, 2019, are included in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Arithmetic Real Rate of Return</u>
U.S. stocks	49%	6.60%
International stocks	21%	7.37%
U.S. bonds	30%	0.36%

Discount Rate – The discount rate used to measure the total pension liability was 7.5% as of June 30, 2019. The projection of cash flows used to determine the discount rate assumed that contributions will be made monthly at the current contribution rate and the payment to amortize the unfunded actuarial liability is assumed to be paid at the end of the year for State and monthly for non-state agencies. 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.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the State’s proportionate share of the net pension liability using the discount rate of 7.5%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate (expressed in thousands):

	<u>1% Decrease in Discount Rate (6.5%)</u>	<u>Discount Rate (7.5%)</u>	<u>1% Increase in Discount Rate (8.5%)</u>
Net pension liability	\$ 26,276	\$ 11,396	\$ (1,233)

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued JRS report.

Payables to the Pension Plan – At June 30, 2020, the State reported payables to the defined benefit pension plan of \$273,154 for legally required employer contributions not yet remitted to JRS.

Notes to the Financial Statements

For the Year Ended June 30, 2020

Note 11. Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the State's net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State'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, employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Plan assets are reported at fair value.

Plan description – Officers and employees of the State of Nevada and of certain other participating local governmental agencies within the State of Nevada are provided with OPEB through the Nevada Public Employees' Benefits Program (PEBP), a multiple-employer cost-sharing defined postemployment benefit 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. NRS 287.043 grants the PEBP Board the authority to establish and amend the benefit terms of the program. 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 from the State Retirees' Health & Welfare Benefits Fund. 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 on the PEBP website at www.pebp.state.nv.us. Benefits include health, prescription drug, dental and life insurance coverage. 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. The following individuals and their dependents are eligible to receive subsidies 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 entity 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.

Notes to the Financial Statements

For the Year Ended June 30, 2020

The authority for establishing an assessment to pay for a portion of the cost of premiums or contributions for the program is in statute. According to NRS 287.046 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 an 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. The required contribution rate for employers (the retired employees group insurance rate), as a percentage of covered-employee payroll, for the fiscal year ended June 30, 2019 was 2.34%. Contributions recognized as part of OPEB expense for the current fiscal year ended June 30, 2020 were \$25,957,354 for the primary government, \$17,715,000 for the Nevada System of Higher Education, and \$72,666 for the Colorado River Commission.

OPEB Liabilities, OPEB Expenditure/Expense, Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB - Primary Government - At June 30, 2020, the State reported a liability of \$810,287,841, for its proportionate share of the collective net OPEB liability. The collective net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of January 1, 2018. The State's proportion of the collective net OPEB liability was based on the State's share of contributions in the OPEB plan relative to the total contributions of all participating OPEB employers and members. At June 30, 2020, the State's proportion was 58.14%, a decrease of 1.74% from its proportion measured at June 30, 2019.

For the year ended June 30, 2020, the State recognized OPEB expenditure of \$19,511,325 and OPEB expense of \$81,443. At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 14,477
Changes of assumptions	17,459	34,612
Net Differences between projected and actual investment earnings on OPEB plan investments	-	137
Contributions subsequent to the measurement date and implicit subsidy paid	33,015	-
Total	<u>\$ 50,474</u>	<u>\$ 49,226</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$25,957,354 resulting from State contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (expressed in thousands):

Year Ended June 30:	
2021	\$ (16,182)
2022	(13,445)
2023	(2,738)
2024	598
2025	-
Thereafter	-

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB - Nevada System of Higher Education (NSHE) - At June 30, 2020, the NSHE reported a liability of \$569,268,000, for its proportionate share of the collective net OPEB liability. The collective net OPEB liability was measured as of July 1, 2019, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of January 1, 2018. The 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. At June 30, 2020, the NSHE's proportion was 40.85%, an increase of 1.72% from its proportion measured at June 30, 2019.

Notes to the Financial Statements

For the Year Ended June 30, 2020

For the year ended June 30, 2020, the NSHE recognized OPEB expense of \$37,523,000. At June 30, 2020, the NSHE reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 10,171
Changes of assumptions	12,266	24,316
Net Differences between projected and actual investment earnings on OPEB plan investments	-	97
Contributions subsequent to the measurement date	17,715	-
Total	<u>\$ 29,981</u>	<u>\$ 34,584</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$17,715,000 resulting from NSHE contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (expressed in thousands):

Year Ended June 30:	
2021	\$ (11,369)
2022	(9,446)
2023	(1,923)
2024	420
2025	-
Thereafter	-

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB - Colorado River Commission (CRC) - At June 30, 2020, the CRC reported a liability of \$2,267,166, for its proportionate share of the collective net OPEB liability. The collective net OPEB liability was measured as of July 1, 2019, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2019. The CRC's proportion of the collective net OPEB liability was based on the CRC's share of contributions in the OPEB plan relative to the total contributions of all participating OPEB employers and members. At June 30, 2020, the CRC's proportion was 0.1627%, a decrease of 0.0048% from its proportion measured at June 30, 2019.

For the year ended June 30, 2020, the CRC recognized OPEB expense of \$123,598. At June 30, 2020, the CRC reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 49	\$ 97
Net Differences between projected and actual investment earnings on OPEB plan investments	-	41
Contributions subsequent to the measurement date	73	-
Total	<u>\$ 122</u>	<u>\$ 138</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$72,666 resulting from CRC contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (expressed in thousands):

Year Ended June 30:	
2020	\$ (45)
2021	(38)
2022	(8)
2023	2
2024	-
Thereafter	-

Notes to the Financial Statements

For the Year Ended June 30, 2020

Actuarial Assumptions – The total OPEB liability was determined by an actuarial valuation as of January 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

<i>Inflation:</i>	2.50%
<i>Salary increases:</i>	0.50% productivity pay increase, 2.73% average promotional and merit salary increase
<i>Investment rate of return:</i>	3.51% based on a 20-Year Municipal Bond Index
<i>Healthcare cost trend rates:</i>	7.00% initially, decreasing to a 4.50% long-term trend rate after seven years

Healthy mortality rates for Pre-Retirement were based on the RP-2014, Headcount-weighted Employee table projected to 2020 with Scale MP-2016. Post-Retirement rates were based on Headcount-Weighted RP-2014 Healthy Annuitant table projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries. Disabled mortality rates were based on the RP-2014 Headcount-weighted Disability Retiree table, set forward four years.

The actuarial assumptions used in the January 1, 2018 valuation were based upon certain demographic and other actuarial assumptions as recommended by the actuary Aon, in conjunction with the State and guidance from the GASB statement.

Discount Rate – The discount rate used to measure the total OPEB liability was 3.87%, which is consistent with a 20-Year Municipal Bond Index. The Bond Buyer General Obligation 20-Bond Municipal Bond Index is used for the determination of the discount rate. The assets in the trust as of June 30, 2019 are less than the expected benefit payments in the first year; therefore, the crossover period is assumed to be in the first year, which provides additional support for continuing the discount rate at the 20-Year Municipal Bond Index rate.

Sensitivity of the Proportionate Share of the Collective Net OPEB Liability to Changes in the Discount Rate – The following presents the proportionate share of the collective net OPEB liability, as well as what the proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate (expressed in thousands):

	1% Decrease in Discount Rate (2.87%)	Discount Rate (3.87%)	1% Increase in Discount Rate (4.87%)
State's proportionate share of the collective net OPEB liability	\$ 893,407	\$ 810,288	\$ 738,173
NSHE's proportionate share of the collective net OPEB liability	627,664	569,268	518,604
CRC's proportionate share of the collective net OPEB liability	2,500	2,267	2,065

Sensitivity of the Proportionate Share of the Collective Net OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the proportionate share of the collective net OPEB liability, as well as what the 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 (expressed in thousands):

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State's proportionate share of the collective net OPEB liability	\$ 751,772	\$ 810,288	\$ 879,797
NSHE's proportionate share of the collective net OPEB liability	528,158	569,268	618,103
CRC's proportionate share of the collective net OPEB liability	2,103	2,267	2,462

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, 2020, the primary government and the NSHE reported payables to the defined benefit OPEB plan of \$130,776 and \$1,608,000, respectively, for statutorily required employer contributions which had been assessed on employee salaries but not yet remitted to the Retirees' Fund.

Notes to the Financial Statements

For the Year Ended June 30, 2020

Note 12. Risk Management

The State of Nevada established the Self-Insurance and Insurance Premiums funds in 1983 and 1979, respectively. Both funds are classified as internal service funds.

Interfund premiums are reported as interfund services provided and used. All State funds participate in the insurance program. Changes in the claims liabilities during the past two fiscal years were as follows (expressed in thousands):

	<u>Self-Insurance</u>	<u>Insurance Premiums</u>
Balance June 30, 2018	\$ 71,683	\$ 61,191
Claims and changes in estimates	314,547	13,949
Claim payments	<u>(291,349)</u>	<u>(13,802)</u>
Balance June 30, 2019	94,881	61,338
Claims and changes in estimates	303,889	15,313
Claim payments	<u>(309,068)</u>	<u>(13,439)</u>
Balance June 30, 2020	<u>\$ 89,702</u>	<u>\$ 63,212</u>
Due Within One Year	\$ 89,702	\$ 19,248

In accordance with GASB, a liability for claims is reported if information received before the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities include incremental claims adjustment costs. A reserve for losses has been established in both funds to account for these liabilities and is included in the liability section of the Statement of Net Position.

There was no insurance coverage for excess liability insurance.

There are several pending lawsuits or unresolved disputes involving the State or its representatives at June 30, 2020. The estimated liability for these claims has been factored into the calculation of the reserve for losses and loss adjustment expenses developed.

A. Self-Insurance Fund

The Self-Insurance Fund administers the group health, life and disability insurance for covered employees, both active and retired, of the State and certain other participating public employers within the State. All public employers in the State are eligible to participate in the activities of the Self-Insurance Fund and currently, in addition to the State, there are four public employers whose employees are covered under the plan. Additionally, all retirees of public employers contracted with the Self-Insurance Fund to provide coverage to their active employees are eligible to join the program subsequent to their retirement. Public employers are required to subsidize their retirees who participate in the plan in the same manner the State subsidizes its retirees. Currently, the State, the Nevada System of Higher Education and one hundred sixty-five public employers are billed for retiree subsidies. The Self-Insurance Fund is overseen by the Public Employees' Benefit Program Board. The Board is composed of ten members, nine members appointed by the Governor, and the Director of the Department of Administration or their designee.

The Self-Insurance Fund is self-insured for medical, dental, vision, mental health and substance abuse benefits and assumes all risk for claims incurred by plan participants. Fully insured HMO products are also offered. Long-term disability and life insurance benefits are fully insured by outside carriers. For the self-insured benefits, fund rate-setting policies have been established after consultation with an actuary. The participating public employers, with the exception of the State, are not subject to supplemental assessment in the event of deficiencies.

The management of the Self-Insurance Fund establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and of claims that have been incurred but not reported and the unused portion of the Health Reimbursement Arrangement (HRA) liability. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Upon consultation with an actuary, claims liabilities are recomputed annually using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation

Notes to the Financial Statements

For the Year Ended June 30, 2020

of estimated future claims costs is implicit in the calculation, because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which claims are made.

B. Insurance Premiums Fund

The Insurance Premiums Fund provides general, civil (tort), and auto liability insurance to State agencies, workers' compensation insurance for State employees excluding NSHE, and auto physical damage and property insurance for State agencies.

For the period beginning January 1, 2001, and for each calendar year thereafter, the Fund purchased a high deductible policy for workers' compensation. Liabilities in the amount of \$49,923,541 as of June 30, 2020 were determined using standard actuarial techniques as estimates for the case, reserves, incurred but not reported losses and allocated loss adjustment expenses under the plan as of June 30, 2020.

The Fund is financed by the State. The State has a maximum exposure of \$50,000 through October 1, 2007, \$75,000 through October 1, 2011, \$100,000 through June 30, 2020, \$150,000 through June 30, 2022, and \$200,000 thereafter for each general liability claim, with the exception of claims that are filed in other jurisdictions, namely, federal court. Those claims filed in federal court are not subject to the limit. Per State statute, if, as the result of future general liability or catastrophic losses, fund resources are exhausted, coverage is first provided by the reserve for statutory contingency account and would then revert to the General Fund.

The Fund is fully self-insured for general, civil and vehicle liability. The Fund is also self-insured for comprehensive and collision loss to automobiles, self-insured to \$250,000 for property loss with commercial insurance purchased to cover the excess above this amount, and commercially insured for losses to boilers and machinery and certain other risks.

At June 30, 2020, incurred but not reported claims liability for general, civil and auto liability insurance is based upon standard actuarial techniques, which take into account financial data, loss experience of other self-insurance programs and the insurance industry, the development of known claims, estimates of the cost of reported claims, incurred but not reported claims, and allocated loss adjustment expenses. The incurred but not reported claims liability for property casualty insurance is based upon the estimated cost to replace damaged property. The liability for estimated losses from reported and unreported claims in excess of the amounts paid for the workers' compensation policies is determined using standard actuarial techniques, which take into account claims history and loss development factors for similar entities. Incurred but not reported claims liabilities are included in the reserve for losses.

The State is contingently liable for the cost of post retirement heart, lung and cancer disease benefits payable under the Nevada Occupational Disease Act. Any fireman or police officer that satisfies the two-year employment period under this act is eligible for coverage under Workers' Compensation for heart and lung disease. Any fireman that satisfies the five-year employment period under this act is eligible for coverage under Workers' Compensation for cancer disease. A range of estimated losses from \$6,422,800 to \$22,860,000 for heart disease, \$7,676,230 for lung disease and \$7,108,000 for cancer disease have been determined using standard actuarial techniques. Due to the high degree of uncertainty surrounding this coverage, no accrual for these losses is reflected in the financial statements.

Loss reserve estimates are inherently uncertain because the ultimate amount the Fund will pay for many of the claims it has incurred as of the balance sheet date will not be known for many years. The estimate of loss reserves is intended to equal the difference between the expected ultimate losses of all claims that have occurred as of a balance sheet date and amounts already paid. The Fund establishes loss reserves based on its own analysis of emerging claims and review of the results of actuarial projections. The Fund's aggregate carried reserve for unpaid losses is the sum of its reserves for each accident year and represents its best estimate of outstanding loss reserves.

At June 30, 2020 total liabilities and deferred inflows of resources exceeded total assets and deferred outflows of resources by \$42,893,926. The Fund is liable for approximately \$43 million as of June 30, 2020 in potential claims settlements, which have yet to be funded through premium contributions. As NRS 331.187 provides that if money in the Fund is insufficient to pay a tort claim, the claim is to be paid from the reserve for statutory contingency account, and, as management assesses premiums to cover current claims payments, management believes that this provides the opportunity for the Fund to satisfy these liabilities.

Notes to the Financial Statements

For the Year Ended June 30, 2020

Note 13. Fund Balances and Net Position

A. Net Position-Restricted by Enabling Legislation

The government-wide statement of net position reports \$3,168,782,000 of net position-restricted for the primary government, of which \$158,112,099 is restricted by enabling legislation.

B. Governmental Fund Balances

Governmental fund balances are classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the State is bound to observe constraints imposed on the use of the resources of the fund. A summary of governmental fund balances at June 30, 2020, is shown below (expressed in thousands):

	Major Governmental Funds		Nonmajor Governmental Funds	Total Governmental
	General Fund	State Highway		
Fund balances:				
Nonspendable:				
Long term notes/loans receivable	\$ 13,740	\$ -	(1) \$	13,739
Inventory	7,960	22,515	479	30,954
Advances	3,974	-	-	3,974
Prepaid items	3,802	382	95	4,279
Permanent fund principal	-	-	383,664	383,664
Restricted for:				
Administration	120	-	4,347	4,467
Agriculture	425	-	-	425
Business and industry	11,996	-	16,737	28,733
Capital projects	-	-	71,031	71,031
Conservation and natural resources	32,864	-	8,894	41,758
Corrections	13	-	22,305	22,318
Debt service	-	-	27,655	27,655
Economic development	3,324	-	-	3,324
Education K-12	94	-	337	431
Elected officials	14,732	-	-	14,732
Gaming control	8,053	-	-	8,053
Health and human services	4,747	-	17,085	21,832
Motor vehicles	-	41,589	-	41,589
Other purposes	-	-	10,344	10,344
Public safety	10,191	11,513	-	21,704
Transportation	-	391,309	-	391,309
Veteran's services	1,167	-	-	1,167
Wildlife	14,619	-	-	14,619
Committed to:				
Administration	10,352	-	-	10,352
Agriculture	7,678	-	728	8,406
Business and industry	44,941	-	5,642	50,583
Capital projects	-	-	48,474	48,474
Conservation and natural resources	107,185	-	10,237	117,422
Corrections	4,259	-	-	4,259
Debt service	-	-	248,254	248,254
Economic development	12,687	-	4,863	17,550
Education K-12	50,210	-	-	50,210
Elected Officials	72,640	-	1,930	74,570
Employment and training	3,201	-	-	3,201
Fiscal emergency	97,545	-	-	97,545
Gaming control	5,117	-	-	5,117
Health and human services	43,218	-	1,674	44,892
Judicial	8,886	-	-	8,886
Legislative	87,565	-	-	87,565
Military	420	-	-	420
Motor vehicles	1,425	-	-	1,425
Other purposes	7,367	-	-	7,367
Public safety	24,306	2,268	-	26,574
Silver state health insurance	5,578	-	-	5,578
Social services	-	-	40,034	40,034
Tobacco settlement program	-	-	63,719	63,719
Taxation	3,578	-	-	3,578
Transportation	-	53,459	-	53,459
Veteran's services	7,987	-	-	7,987
Wildlife	19,921	-	-	19,921
Assigned to:				
Administration	198	-	-	198
Business and industry	68	-	-	68
Conservation and natural resources	8,354	-	-	8,354
Corrections	813	-	-	813
Education K-12	483	-	-	483
Elected officials	95	-	-	95
Employment and training	2,359	-	-	2,359
Health and human services	151	-	-	151
Judicial	278	-	-	278
Military	1,072	-	-	1,072
Other purposes	30	-	-	30
Unassigned:	33,005	-	-	33,005
Total fund balances	\$ 804,793	\$ 523,035	\$ 988,527	\$ 2,316,355

Notes to the Financial Statements

For the Year Ended June 30, 2020

C. Individual Fund Deficit

Nonmajor Enterprise Funds:

Insurance Administration and Enforcement - The Insurance Administration and Enforcement Fund accounts for activities related to the administration and enforcement of the Nevada Insurance Code and other laws and regulations enforced by the Department of Business and Industry Division of Insurance. The fund recorded an increase in net position of \$1,293,573 for the year ended June 30, 2020, resulting in a negative net position of \$6,553,591 at June 30, 2020.

Nevada Magazine – The Nevada Magazine Fund accounts for the operation of the publication, Nevada Magazine, which is published to promote tourism. The fund recorded a decrease in net position of \$27,443 for the year ended June 30, 2020, resulting in a negative net position of \$1,172,705 at June 30, 2020.

Internal Service Funds:

Buildings and Grounds – The Buildings and Grounds Fund accounts for the maintenance, housekeeping and security of most State buildings. The fund recorded an increase in net position of \$1,461,863 for the year ended June 30, 2020, resulting in a negative net position of \$4,314,086 at June 30, 2020.

Communications – The Communications Fund accounts for the operation of mail services for State agencies in Carson City, Reno, Las Vegas and Elko. The fund recorded a decrease in net position of \$186,169 for the year ended June 30, 2020, resulting in a negative net position of \$1,244,081 at June 30, 2020.

Insurance Premiums – The Insurance Premiums Fund allocates the cost of fidelity insurance, property insurance and workers' compensation insurance to State agencies. The fund recorded an increase in net position of \$105,198 for the year ended June 30, 2020, resulting in a negative net position of \$42,893,926 at June 30, 2020.

Administrative Services – The Administrative Services Fund provides administrative and accounting services to various divisions of the Department of Administration. The fund recorded an increase in net position of \$41,989 for the year ended June 30, 2020, resulting in a negative net position of \$3,780,923 at June 30, 2020.

Personnel – The Personnel Fund accounts for the costs of administering the State personnel system. The fund recorded an increase in net position of \$649,915 for the year ended June 30, 2020, resulting in a negative net position of \$6,742,264 at June 30, 2020.

Purchasing – The Purchasing Fund provides purchasing services to State agencies and other governmental units. The fund recorded a decrease in net position of \$682,421 for the year ended June 30, 2020, resulting in a negative net position of \$3,081,772 at June 30, 2020.

Information Services – The Information Services Fund accounts for designing, programming, and maintaining data processing software and also operating the State's central computer facility, radio communication and telecommunication systems. The fund recorded an increase in net position of \$3,829,461 for the year ended June 30, 2020, resulting in a negative net position of \$16,647,322 at June 30, 2020.

Notes to the Financial Statements

For the Year Ended June 30, 2020

Note 14. Principal Tax Revenues

The principal taxing authorities for the State of Nevada are the Nevada Tax Commission and the Nevada Gaming Commission. The Nevada Tax Commission was created under NRS 360.010 and is the taxing and collecting authority for most non-gaming taxes. The following are the primary non-gaming tax revenues:

Sales and Use Taxes are imposed at a minimum rate of 6.85%, with county and local option up to an additional 1.525%, on all taxable sales and taxable items of use. The State receives tax revenue of 2% of total sales with the balance distributed to local governmental entities and school districts.

Modified Business Tax is imposed at different rates for businesses, financial institutions and mining. Businesses other than financial institutions and mining are assessed a tax at a rate of 1.475% per calendar quarter for amounts the wages exceed \$50,000. Modified Business Tax is imposed on financial institutions and mining at 2% on gross wages paid by the employer during the calendar quarter. There is an allowable deduction from the gross wages for amounts paid by the employer for qualified health insurance or a qualified health benefit plan.

Insurance Premium Tax is imposed at 3.5% on insurance premiums written in Nevada. A "Home Office Credit" is given to insurance companies with home or regional offices in Nevada.

Motor Vehicle Fuel Tax is levied at 24.805 cents per gallon on gasoline and gasohol sales. 17.65 cents of the tax goes to the State Highway Fund, .75 cents goes to the Cleaning Up Petroleum Discharges Fund, .055 cents goes to the General Fund and the remaining 6.35 cents goes to the counties. The counties have an option to levy up to an additional 9 cents per gallon.

Cigarette Tax is imposed at a rate of 90 mills per cigarette. A tax on tobacco products, other than cigarettes, is imposed at a rate of 30% of the wholesale price.

Commerce Tax is imposed upon each business entity whose Nevada gross revenue in a taxable year exceeds \$4 million. The business entity is entitled to deduct certain amounts. The tax rate is based on the primary business industry classification.

Lodging Tax is imposed at a rate of at least 1% of the gross receipts from the rental of transient lodging with three-eighths of the first 1% paid to the State for the Tourism Promotion Fund. In counties with populations greater than 300,000, an additional tax of up to 3% is remitted to the State for distribution to the State Supplemental School Support Account.

Other Sources of tax revenues include: Controlled Substance Tax, Jet Fuel, Liquor Tax, Live Entertainment Tax (non-gaming establishments), Business License Fees, Motor Carrier Fees, Motor Vehicle Registration Fees, Net Proceeds of Minerals Tax, Property Tax, Real Property Transfer Tax, Short-Term Lessor Fees, Tire Tax and Marijuana Excise Tax.

The Nevada Gaming Commission was created under NRS 463.022 and is charged with collecting State gaming taxes and fees. The following sources account for gaming tax revenues:

Percentage Fees are the largest of several State levies on gaming. They are based upon gross revenue and are collected monthly. The fee is applied on a graduated basis at the following monthly rates: 3.5% of the first \$50,000 of gross revenue; 4.5% of the next \$84,000 of gross revenue; and 6.75% of the gross revenue in excess of \$134,000.

Live Entertainment Taxes are imposed at a rate of 9% on admission to a facility where live entertainment is provided with an occupancy over 200. Live entertainment provided by escort services is also subject to the tax.

Flat Fee Collections are levied on the number of gambling games and slot machines operated. Licensees pay fees at variable rates on the number of gaming devices operated per quarter.

Other Sources of gaming tax revenues include: Unredeemed Slot Machine Wagering Vouchers, Annual State Slot Machine Taxes, Annual License Fees and Miscellaneous Collections, which consists of penalties and fines, manufacturer's, distributor's and slot route operator's fees, advance payments, race wire fees, pari-mutuel wagering tax and other nominal miscellaneous items.

Notes to the Financial Statements

For the Year Ended June 30, 2020

Note 15. Works of Art and Historical Treasures

The State possesses certain works of art, historical treasures, and similar assets that are not included in the capital assets shown in Note 7. The mission of the Lost City Museum in Overton is to study, preserve, and protect prehistoric Pueblo sites found in the Moapa Valley and adjacent areas and to interpret these sites through exhibits and public programs. In Reno, the Nevada Historical Society exhibits and maintains a large number of historical collections preserving the cultural heritage of Nevada. These collections are divided into four sections: library, manuscripts, photography, and museum. The Nevada State Museum in Carson City collects, preserves, and documents three general types of collections: anthropology, history, and natural history as it relates to Nevada and the Great Basin. The mission of the Nevada State Museum, Las Vegas, is to inspire and educate a diverse public about the history and natural history of Nevada. Its major collections include transportation, mining, and tourism as well as daily artifacts such as clothing, historical correspondence, business records, and photography. The Nevada State Railroad Museum, which is located in Carson City, is dedicated to educating visitors and the community through the collection, preservation and interpretation of objects directly related to railroads and railroading in Nevada. The East Ely Depot Museum, located in the historic Nevada Northern Railroad Depot building, exhibits artifacts, documents, and photographs of early Eastern Nevada mining and railroad transportation. In Boulder City, the Nevada State Railroad Museum displays and operates locomotives. The Nevada Arts Council with locations in Carson City and Las Vegas exhibits artwork. Its mission is to enrich the cultural life of the State and make excellence in the arts accessible to all Nevadans.

These collections are not capitalized by the State because they are:

- Held for public exhibition, education or research in furtherance of public service, rather than financial gain,
- Protected, kept unencumbered, cared for and preserved, and
- Subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collections.

Note 16. Tax Abatements

Abatement of Taxes on Business: The Governor's Office of Economic Development (GOED) provides multiple tax abatement programs to incentivize business development in Nevada. GOED promotes a robust, diversified and prosperous economy to attract new business and facilitate community development, stimulate business expansion and retention, and encourage entrepreneurial enterprise.

A company that intends to locate or expand a business in the State may apply to GOED for a partial abatement of one or more of the taxes imposed on new or expanded business. GOED may approve an application, upon making certain determinations, as outlined in NRS 360.750, which is effective through June 30, 2032. In addition to agreeing to continue in operation in the State for at least 5 years, applicants must also meet two of the following three requirements:

- New businesses locating in urban areas require fifty or more full-time employees on the payroll by the eighth calendar quarter following the calendar quarter in which the abatement becomes effective; in rural areas, the requirement is ten or more full-time employees. For an existing business that is expanding, the number of employees on the payroll must increase either by 10% more than the number of employees prior to the abatement becoming effective, or by 25 employees for urban areas (6 for rural areas), whichever is greater.
- New businesses locating in urban areas must make a capital investment of \$1 million in eligible equipment within two years; in rural areas, the requirement is \$250,000 in eligible equipment. For an existing business that is expanding, the capital investment must equal at least 20% of the value of the tangible property owned by the business.
- The average hourly wage paid to new employees must meet a specified minimum, and the business must provide a health insurance plan for all employees and their dependents by a specified time period.

Notes to the Financial Statements

For the Year Ended June 30, 2020

A company that intends to locate or expand a business in certain areas of Economic Development may apply to GOED for a partial abatement of one or more of the taxes imposed on new or expanded business. Certain areas of Economic Development are defined in NRS 274.310 as a historically underutilized business zone, a redevelopment area created pursuant to Chapter 279 of NRS, an area eligible for a community development block grant pursuant to 24 Code of Federal Regulations (CFR) Part 570, or an enterprise community established pursuant to 24 CFR Part 597. Applicants must agree to continue in operation in the State for at least 5 years, and is effective through June 30, 2032. Additionally, businesses looking to start or expand in certain areas of Economic Development must meet either one of the two following requirements to apply for an abatement:

- New businesses must invest a minimum of \$500,000 in capital assets. For an existing business that is expanding, the investment in capital assets is a minimum of \$250,000 (NRS 274.310 through 274.320).
- The business must hire one or more dislocated workers, pay a wage of not less than 100 percent of federally designated levels and provide medical benefits to the employees and their dependents which meet the minimum requirements (NRS 274.330).

All abatements granted to eligible businesses terminate upon determination that the business has ceased to meet eligibility requirements for the abatement. The business shall refund the abatement amount for each month, or portion thereof, from the last day of the month following the period for which the payment would have been made had the partial abatement not been approved until the date of the payment of the tax. These refund payments are also subject to interest at the rate most recently established pursuant to NRS 99.040.

The programs outlined below reflect the requirements and the abatements offered to eligible businesses.

Local Sales and Use Tax Abatement (NRS 374.357 through 374.358) – The tax abatement is on the gross receipts from the sale, and the storage, use or other consumption, of eligible capital equipment. The sale and use tax rates vary by county within Nevada. The abatement reduces the local sales and use tax rate to 2%, which is the State’s portion of the tax. Therefore, none of the State’s sales and use tax is abated; only local sales and use taxes are abated. The approved business is eligible for tax abatements for not less than 1 year but not more than 5 years beginning the date the abatement becomes effective. This is effective through June 30, 2032.

Modified Business Tax Abatement (NRS 363B.120) – The current excise tax imposed on each employer is at the rate of 1.475% on taxable wages over \$50,000 in a quarter. A business may qualify for a partial abatement of up to 50% of the amount of the business tax due during the first four years of operations. For a new company, the abatement of the modified business tax applies to the number of new employees stated in its application. For an expanding business, the abatement does not apply to existing employees of the business, but does apply to the number of new employees directly related to the expansion. This is effective through June 30, 2032.

Personal Property Tax Abatement (NRS 361.0687) – The abatement can be up to 50% of the tax due, or 75% in certain areas of Economic Development, for not less than 1 year and up to 10 years beginning from when the abatement becomes effective. The applicant must apply for abatement not more than one year before the business begins to develop for expansion or operation in Nevada. The personal property tax abatement applies only to the same list of machinery and equipment eligible for the local sales and use tax abatement allowed under NRS 374.357 or 374.358. Property tax rates vary by taxing district within Nevada. This is effective through June 30, 2032.

Aviation Tax Abatement (NRS 360.753) - The abatement includes local sales and use tax and personal property tax. The local sales and use tax abatement applies to the purchase of tangible personal property used to operate, manufacture, service, maintain, test, repair, overhaul or assemble an aircraft or any component of an aircraft. The personal property tax abatement applies to aircraft and the personal property used to own, operate, manufacture, service, maintain, test, repair, overhaul or assemble an aircraft or any component of an aircraft. The personal property tax abatement can be up to 50% for 20 years on the taxes due on tangible personal property, and the sales and use tax abatement reduces the applicable tax rate to 2% for a similar 20-year period. The local sales and use tax abatement excludes aircraft purchase. This is effective through June 30, 2035.

Notes to the Financial Statements

For the Year Ended June 30, 2020

Data Center Tax Abatement (NRS 360.754) – The abatement includes local sales and use tax and personal property tax. The local sales and use tax abatement applies to the purchase of eligible machinery or equipment for use at a data center. The abatement reduces the applicable tax rate to 2% for a period of 10 or 20 years. The personal property tax abatement applies to personal property located at the center and can be up to 75% of the taxes due for 10 or 20-year abatement periods. The data center will, within 5 years after the date on which the abatement becomes effective, have or have added 10 or more full-time employees who are residents of Nevada, and provide health insurance. The data center must commit to continue operation within the State for a period of not less than 10 years, and must bind successors to the same. This is effective through December 31, 2056.

Capital Investment of at least \$1 Billion Tax Abatement (NRS 360.893) – The partial abatements include personal property, modified business, real property, or local sales and use taxes for companies that have a minimum capital investment of \$1 billion dollars within 10 years of approval of the abatement application. The personal property, modified business and real property tax abatement can be up to 75% of the taxes due for an abatement period of not more than 10 years. Abatements for local sales and use tax are for taxes imposed on the purchase of eligible personal property and construction materials for an abatement period of not more than 15 years. The State's 2% portion of the sales and use tax is not abated. As a condition of approving a partial abatement of taxes pursuant to NRS 360.880 to 360.896, inclusive, the Executive Director of the Office of Economic Development, if he or she determines it to be in the best interests of the State of Nevada, may require the lead participant to pay at such a time or times as deemed appropriate, an amount of money equal to all or a portion of the abated taxes into a trust fund in the State Treasury to be held until all or portion of the requirements for the partial abatement have been met. Interest and income earned on money in the trust fund must be credited to the trust fund. Any money remaining in the trust fund at the end of the fiscal year does not revert to the State General Fund, and the balance in the trust fund must be carried forward to the next fiscal year. This is effective through June 30, 2032.

Capital Investments of at least \$3.5 Billion Tax Abatement (NRS 360.945) – An abatement from personal property, modified business, real property, or local sales and use tax are available to companies that have a minimum capital investment of \$3.5 billion dollars within 10 years of approval of the abatement application. The personal property, modified business, and real property tax abatements can be up to 100% of the taxes due for up to a 10-year abatement period. Abatements for local sales and use tax are for taxes imposed on the purchase of eligible personal property and construction materials for up to a 20-year period. The State's 2% portion of the sales and use tax is not abated. This was approved during the 28th Special Session of the State Legislature in 2014, and is effective through June 30, 2036.

Transferable Tax Credits to Promote Economic Development (NRS 231.1555) – Transferable tax credits are available to entities who intend to locate or expand a business in Nevada. The business can apply for credits above or below \$100,000 as long as the transferable tax credits do not extend for a period of more than 5 fiscal years per applicant and, in total, do not exceed set amounts each fiscal year as outlined in statute. The transferable tax credits can be applied to modified business, insurance premium and/or gaming percentage fee taxes. The applicant must set forth the proposed use of the credits, the plans, projects and programs for which the credits will be used, the expected benefits, and a statement of short-term and long-term impacts of the issuance of the transferable tax credits.

Film and Other Productions (NRS 360.758 through 360.7598) - A transferable tax credit is available to production companies producing a film, television series, commercial, music video or other qualified production in Nevada. A production may qualify for a transferable tax credit of up to 25% of the qualified direct production expenditures incurred in Nevada if at least 60% of the total qualified expenditures are incurred in Nevada. Principal photography of the production must begin within 90 days after the application is issued. The transferable tax credits issued for qualified film production completed in the State may be used against the modified business, insurance premium and/or the gaming percentage fee taxes.

Economic Development with Capital Investment of at least \$3.5 Billion (NRS 360.945 through 360.980) – The 2014 28th Special Session of the State Legislature required the Governor's Office of Economic Development (GOED) to issue transferable tax credits for certain qualifying projects that may be used against the modified business, insurance premium and/or the gaming percentage fee taxes. A qualifying project is required to be located within the geographical borders of the State of Nevada, make a new capital investment in the State of at least \$3.5 billion during the 10-year period immediately following approval of the application, employ Nevada residents in at least half of the project's construction jobs and operational jobs, and provides health insurance to all employees. The amount of transferable tax credits is equal to \$12,500 for each qualified employee employed by the participants in the project (to a maximum of 6,000 employees), plus 5% of the first

Notes to the Financial Statements

For the Year Ended June 30, 2020

\$1 billion and 2.8% of the next \$2.5 billion in new capital investment in the State made collectively by the participants in the qualifying project. The amount of tax credits approved by GOED may not exceed \$45 million per fiscal year (although any unissued credits may be issued in any subsequent fiscal year ending on or before June 30, 2022), and GOED may not issue total tax credits in excess of \$195 million. This is effective through June 30, 2036.

Renewable Energy Tax Abatements: The mission of the Governor’s Office of Energy is to ensure the wise development of Nevada’s energy resources in harmony with local economic needs, and to position Nevada to lead the nation in renewable energy production, conservation, and exportation. In an effort to incentivize the development of renewable energy in Nevada, the program awards partial sales and use tax and property tax abatements to eligible renewable energy facilities. Businesses must make a capital investment of \$3 million or \$10 million, dependent on the project location.

Local Sales and Use Tax Abatement (NRS 701A.360 through NRS 701A.365) – The abatement applies to the 3 years following the approval of the application in which the applicant will only be required to pay sales and use taxes imposed in the State at the rate of 2.6%, of which 2% is the State’s portion of the tax. Therefore, none of the State’s sales and use tax is abated. The abatement must not apply during any period in which the facility is receiving another abatement or exemption from local sales and use taxes. The applicant must state that the facility will, after the date on which the abatement becomes effective, continue in operation in the State for a period of not less than 10 years, and bind any successors to the same. This is effective through June 30, 2049.

Real and Personal Property Tax Abatement (NRS 701A.370) – The abatement is for a duration of the 20 fiscal years immediately following the date of approval of the application and is equal to 55% of the taxes on real and personal property payable by the facility each year. The abatement must not apply during any period in which the facility is receiving another abatement or exemption from local sales and use taxes. This is effective through June 30, 2049.

Green Building Tax Abatements: The Governor’s Office of Energy administers the green building tax abatement program based on criteria set forth in the Leadership in Energy and Environmental Design (LEED) or Green Globes (GG) rating system and certification from the U.S. Green Building Council or the Green Building Initiative. Both LEED and GG rating systems provide a complete framework for assessing building performance and meeting environmental sustainable goals. They use industry recognized standards for designing, operating and certifying green building projects. The program was instituted in 2007 as an incentive for business owners to improve the energy efficiency of new and existing buildings. To qualify for the tax abatement, applicants must earn a minimum number of points for energy conservation to meet the Silver Level or higher through the LEED rating system or two globes or higher under the GG rating system. LEED and GG building rating systems are based on a set of standards for the environmentally sustainable design, construction and operation of the building.

Real Property Taxes (NRS 701A.110) – Incentives range from 25% to 35% of the portion of taxes imposed pursuant to NRS 361, other than any taxes imposed for public education, for a period of 5 to 10 years, depending on the certification level. The abatement terminates if it is determined that the building or other structure has ceased to meet the equivalent of the Silver Level or higher.

The State’s tax abatement programs as of June 30, 2020, on an accrual basis, are summarized in the following table (expressed in thousands):

Abatement Program	Taxes Abated			
	Modified Business Tax	Property Tax	Gaming Tax	Total
Businesses	\$ 1,441	\$ 1,632	\$ -	\$ 3,073
Capital Investment \$3.5B	1,341	-	-	1,341
Renewable Energy	-	1,007	-	1,007
Green Building	-	5,094	-	5,094
Transferable Tax Credits	-	-	22,250	22,250
Total	\$ 2,782	\$ 7,733	\$ 22,250	\$ 32,765

Notes to the Financial Statements

For the Year Ended June 30, 2020

Note 17. Commitments and Contingencies

A. Primary Government

Lawsuits - The State Attorney General's Office reported that the State of Nevada or its officers and employees were parties to numerous lawsuits, in addition to those described below. In view of the financial condition of the State, the State Attorney General is of the opinion that the State's financial condition will not be materially affected by this litigation, based on information known at this time.

Several of the actions pending against the State are based upon the State's (or its agents') alleged negligence in which the State must be named as a party defendant. However, there is a statutory limit to the State's liability of \$50,000 per cause of action through October 1, 2007, and \$75,000 per cause of action through October 1, 2011, \$100,000 through June 30, 2020, \$150,000 through June 30, 2022, and \$200,000 per cause of action thereafter. Such limitation does not apply to federal actions such as civil rights actions under 42 U.S.C. Section 1983 brought under federal law or to actions in other states. Building and contents are insured on a blanket replacement cost basis for all risk except certain specified exclusions.

The State and/or its officers and employees are parties to a number of lawsuits filed under the federal civil rights statutes. However, the State is statutorily required to indemnify its officers and employees held liable in damages for acts or omissions on the part of its officers and employees occurring in the course of their public employment. Several claims may thus be filed against the State based on alleged civil rights violations by its officers and employees. Since the statutory limit of liability (discussed above) does not apply in federal civil rights cases, the potential liability of the State is not ascertainable at the present time. Currently, the State is involved in several actions alleging federal civil rights violations that could result in substantial liability to the State.

The State is a defendant on several lawsuits associated with the Little Valley fire, which occurred in October, 2016. The State intends to defend these lawsuits vigorously. The outcome of the lawsuits is not presently determinable, and as the amount is neither probable nor capable of reasonable estimation, the accompanying financial statements do not include a liability for any potential loss.

The State is a defendant on two lawsuits associated with groundwater rights. The State has filed a Motion to Dismiss, which remains to be decided. As the amount of potential loss is not capable of reasonable estimation at this time, the accompanying financial statements do not include a liability for any potential loss.

The State is a defendant on a lawsuit associated with an alleged taking of property rights. The State has filed a Motion to Dismiss, which remains to be decided. Although there is a reasonable possibility of an unfavorable outcome for the State, the amount of potential loss is not capable of reasonable estimation at this time. Therefore, the accompanying financial statements do not include a liability for any potential loss.

The State of Nevada Unemployment Compensation Enterprise Fund is currently involved in a lawsuit where a contingent liability is reasonably possible, but the loss cannot be estimated at this time. Although it is not possible to predict the outcome of these proceedings, they could, if unfavorably resolved from the point of view of Fund management, have a material effect on the financial position of the Fund.

Due to staffing restrictions and the high volume of claims related to the COVID-19 pandemic, as well as the implementation of additional funding programs available to claimants as a result of the passage of the CARES Act, an unusually high number of claims were not processed timely during the last quarter of the fiscal year. This resulted in a larger than normal amount of benefits payable as of June 30.

Subsequent to June 30, Fund management identified a significant number of claims filed for which the identity of the claimant was questioned. Many of these claimants had access to their funds restricted, including the unloading of funds previously authorized and loaded to the claimant's unemployment compensation debit card. Claimants have a right to appeal to reinstate their benefits if their claim is denied or to have funds on their debit card released if they provide the additional documentation required. Management has currently identified over \$310.4 million in payments made where the identity of the claimant was questioned. Of this amount, over \$87.4 million had been unloaded from the claimants' debit cards and is held in the Bank of America checking account. Of the \$310.4 million, approximately \$172.3 million relates to supplemental federal funding received by the claimants through the CARES Act programs. This amount may be owed back to the federal government since the claimants may not have met the eligibility requirements of the program(s). Under normal circumstances, benefit claim overpayments due to the federal government are predicated on the recoupment of funds from the individual claimants.

Notes to the Financial Statements

For the Year Ended June 30, 2020

However, the CARES Act is unclear as to whether normal rules will be applied to the supplemental funding programs provided under the Act. Fund management has not received any formal guidance from the U.S. Department of Labor regarding the potential recoupment of overpayments made from CARES Act programs. At this time, Fund management cannot determine the likelihood that overpayment amounts from the CARES Act programs will need to be repaid to the federal government. However, approximately \$48.3 million of the \$87.4 million from unloaded debit cards has been estimated to be associated with federal programs under the CARES Act. Since these monies can be recouped, the Fund has recognized a liability at June 30, 2020 as part of intergovernmental payables due back to the federal government.

Furthermore, claims are still being processed for benefits related to the year ended June 30, 2020. In addition to recognizing benefits payable for claims that have been processed, management has estimated an amount for claims related to benefit weeks in 2020 that have not yet been processed and accrued a liability of \$24.8 million for those estimated unprocessed claims along with an intergovernmental receivable of \$19.5 million for the amount of the unprocessed claims related to the various federal programs.

Leases - The State is obligated by leases for buildings and equipment accounted for as operating leases. Operating leases do not give rise to property rights as capital leases do. Therefore, the results of the lease agreements are not reflected in the Statement of Net Position. Primary government lease expense for the year ended June 30, 2020, amounted to approximately \$50.0 million. The following is the primary government's schedule of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2020, (expressed in thousands):

<u>For the Year</u> <u>Ending June 30</u>	<u>Amount</u>
2021	\$ 46,283
2022	42,411
2023	35,155
2024	28,283
2025	21,782
2026-2030	38,387
2031-2035	5,764
2036-2040	6,695
2041-2045	2,219
2046-2050	4
Total	\$ 226,983

Federal Grants - The State receives significant financial assistance from the federal government in the form of grants and entitlements, which are generally conditioned upon compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by federal agencies. Any disallowance as a result of these audits could become a liability of the State. As of June 30, 2020, the State is unable to estimate the amount, if any, of expenditures that may be disallowed, although the State expects such amounts, if any, to be immaterial.

Nonexchange Financial Guarantees - The 1997 Nevada Legislature added NRS 387.513 through 387.528, allowing school districts to enter into guarantee agreements with the State Treasurer whereby money in the Permanent School Fund may be used to guarantee the debt service payments on certain bonds issued by Nevada school districts. The amount of the guarantee for bonds of each school district outstanding, at any one time, must not exceed \$40 million. Total bond guarantees at June 30, 2020, were \$157.0 million which includes accrued interest of \$1.0 million. The bonds mature at various intervals through fiscal year 2042. In the event any school district was unable to make a required payment, the State Treasurer would withdraw from the State Permanent School Fund the amount needed to cover the debt service payment. Any amount withdrawn would be deemed a loan to the school district from the State Permanent School Fund, and the State Treasurer would determine the rate of interest on the loan. Repayment would be taken from distributions from the State Distributive School Account.

Encumbrances - As of June 30, 2020, encumbered expenditures in governmental funds were as follows (expressed in thousands):

	<u>Amount</u>
General Fund	\$ 3,878
State Highway	4,741
Nonmajor governmental funds	118
Total	\$ 8,737

Construction Commitments - As of June 30, 2020, the Nevada Department of Transportation had total contractual commitments of approximately \$303.1 million for construction of various highway projects. Other major non-highway construction commitments for the primary government's budgeted capital projects funds total \$30.1 million.

Notes to the Financial Statements

For the Year Ended June 30, 2020

B. Discretely Presented Component Units

Nevada System of Higher Education (NSHE) – As of June 30, 2020, the NSHE is a defendant or co-defendant in legal actions. Based on present knowledge and advice of legal counsel, the NSHE management believes any ultimate liability in these matters, in excess of insurance coverage, will not materially adversely affect the net position, changes in net position or cash flows of the NSHE.

The NSHE 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, 2016, on land partially owned by the University of Nevada at Reno. 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 NSHE has an actuarial study of its workers' compensation losses completed every other year. The study addresses the reserves necessary to pay open claims from prior years and projects the rates needed for the coming year. The NSHE uses a third-party administrator to adjust its workers' compensation claims.

The NSHE is self-insured for its unemployment liability. The NSHE is billed by the State each quarter based on the actual unemployment benefits paid by the State. Each year the NSHE budgets resources to pay for the projected expenditures. The amount of future benefits payments to claimants and the resulting liability to the NSHE cannot be reasonably determined as of June 30, 2020.

The NSHE 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 NSHE.

The estimated cost to complete property authorized or under construction at June 30, 2020, is \$73.8 million. These costs will be financed by State appropriations, private donations, available resources, and/or long-term borrowings.

Colorado River Commission (CRC) - The CRC may from time to time be a party in various litigation matters. It is management's opinion, based upon advice from legal counsel, that the risk of financial losses to the CRC from such litigation, if any, will not have a material adverse effect on the CRC's future financial position, results of operations or cash flows. Accordingly, no provision has been made for any such losses.

Nevada Capital Investment Corporation (NCIC) - The NCIC currently has commitments to the Silver State Opportunity Fund (SSOF) of \$50.0 million (the First Tranche) and to Accion 2017G, LLC, of \$1.0 million. As of June 30, 2020, the NCIC has fulfilled \$46.3 million of its total commitment to SSOF and \$1.0 million to Accion. The NCIC has the right, but not the obligation, to increase its capital commitment to SSOF by which would be effective after the end of the First Tranche (or such other date as the NCIC and Manager may agree). If the NCIC elects to make such an additional commitment, both the amount of the NCIC's additional commitment and an additional commitment from the Manager shall be established by agreement between the NCIC and the Manager (the Second Tranche).

Note 18. Subsequent Events

A. Primary Government

Bonds – On November 12, 2020, the State issued \$106,575,000 in General Obligation Bonds. The 2020A Bonds were issued to finance the 2019 various capital improvement project, the Historic Preservation Project and the Refunding Project. The 2020B Bonds were issued to finance the Water Grant Project and the Refunding Project.

The Insurance Premium Trust Fund (IPTF) – The IPTF reports that subsequent to year end in a special session of the Legislature, Assembly Bill, AB, 3 was passed which required certain transfers to the State General Fund. In December 2020 a transfer of \$960,000 was made pursuant to AB 3.

Litigation Settlement – On July 22, 2020, Nevada Attorney General Aaron D. Ford announced that Nevada and 46 other states, territories and the federal government were to settle allegations of fraud against Universal Health Services, Inc. (UHS). UHS is a for-profit holding company that directly or indirectly owns the assets or stock of inpatient and residential psychiatric and behavioral health facilities. The total value of the settlement is \$117,000,000. Of this amount, Nevada will receive \$442,331.

Notes to the Financial Statements

For the Year Ended June 30, 2020

On August 25, 2020, more than \$85 million multistate settlement with American Honda Motor Co., Inc. and Honda of America Mfg., Inc. (collectively “Honda”), over allegations Honda concealed safety issues related to defects in the frontal airbag systems installed in certain Honda and Acura vehicles sold in the United States. Under the terms of the consent judgment, Honda has agreed to strong injunctive relief. Honda also agreed to pay the participating attorneys general a total of \$85,151,210, of which Nevada’s share is \$1,238,738.

On September 30, 2020, Nevada along with 42 other attorneys general reached a \$39.5 million settlement with Anthem stemming from their massive 2014 data breach that involved the personal information of 78.8 million Americans. Through the settlement, Anthem has reached a resolution with the coalition of attorneys general. In addition to the payment, Anthem has also agreed to a series of data security and good governance provisions designed to strengthen its practices going forward. Nevada’s share of the settlement is \$397,306.

On October 21, 2020 the Insurance Premium Trust Fund, IPTF, reached a settlement agreement and release in the Little Valley Fire with one of the remaining plaintiffs.

On November 18, 2020, Nevada Attorney General Aaron D. Ford and a coalition of over 30 attorneys general announced a \$113 million settlement with Apple, Inc. over Apple’s 2016 decision to throttle consumers’ iPhone speeds in order to address unexpected shutdowns in some iPhones. Under the terms of the settlement, Apple will pay \$1,577,469 to the State of Nevada.

On November 24, 2020, Nevada Attorney General Aaron D. Ford and 46 other attorneys general announced a \$17.5 million joint settlement with The Home Depot. The settlement resolves a multistate investigation into their 2014 data breach that exposed the payment card information of approximately 40 million Home Depot customers across the nation. Nevada will receive \$150,712 from the settlement.

On December 7, 2020, Attorney General Aaron D. Ford joined with 50 attorneys general and other federal and state agencies to reach an \$86.3 million settlement with Nationstar Mortgage. Nationstar is the country’s fourth-largest mortgage servicer. In Nevada, the settlement affects 941 loans for a total of \$1,233,963 in relief.

B. Discretely Presented Component Units

Nevada System of Higher Education – The System evaluated subsequent events through November 23, 2020, the date of issuance, and has determined the following subsequent events to report.

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 2020 the universities and colleges have received direct awards for Fiscal 2020 with student financial aid and essential services. Those funds are reported in the financial statements as of June 30, 2020. The U.S. Government also provided direct awards to the State of Nevada. The State requested all state agencies submit invoices that met the criteria for reimbursement established by the U.S. Government. The universities and colleges submitted \$11,100,000 in invoices. As of June 30, 2020, the date of these financial statements, the authority to receive that reimbursement had not been established by the State and is not included in these statements. The reimbursement was approved by the State in August of 2020 (Fiscal 2021) and will be included in next year financial statements. 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.

C. New Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, *Leases*. The primary objective is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement is effective for reporting periods beginning after June 15, 2021. The anticipated impact of this pronouncement is uncertain at this time.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a

Notes to the Financial Statements

For the Year Ended June 30, 2020

construction period. The Statement is effective for reporting periods beginning after December 15, 2020. The anticipated impact of this pronouncement is uncertain at this time.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objective 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. This statement is effective for reporting periods beginning after December 15, 2021. The anticipated impact of this pronouncement is uncertain at this time.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. 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 identified during implementation and application of certain GASB Statements. This Statement extends the effective due dates of the following GASB Statements:

- The requirements related to intra-entity transfers of assets and those related to the applicability of Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, and Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, are effective for reporting periods beginning after June 15, 2021.
- Statement 84, *Fiduciary Activities*, effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition, effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

The State has implemented Statement No. 84, *Fiduciary Activities*, in its FY 2020 financial statement. The anticipated impact of the other Statements mentioned in this pronouncement is uncertain at this time

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an IBOR. As LIBOR is expected to cease to exist in its current form at the end of 2021, this Statement provides guidance to Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, and Statement No. 87, *Leases*. This Statement is effective for reporting periods ending after December 31, 2021 for the removal of LIBOR and for reporting periods beginning after June 15, 2020 for all other requirements of this Statement. The anticipated impact of this pronouncement is uncertain at this time.

D. COVID-19 and CARES Act

The COVID-19 pandemic is likely to impact the State's revenue for the future years. The CARES Act authorized \$842,741,212 for the State of Nevada to help cover necessary funding needs arising from COVID-19 pandemic. The State anticipates that the CARES Act funding, along with service reductions and certain budget cuts starting during 2020, will allow Nevada to evaluate long-term financial impacts and make necessary adjustments.

As a result of the COVID-19 pandemic, the Unemployment Compensation Enterprise Fund exhausted its available balance on December 14, 2020. The Department applied for and received approval of a Title XII advance under section 1201(a)(1) of the Social Security Act to continue paying unemployment compensation benefits. The U.S. Treasury approved Title XII advance amount of \$830.5 million for months from December 2020 through May 2021. The Fund started drawing on the Title XII advance on December 14, 2020. The Fund has borrowed \$332.4 million of its available line of credit and has an advance authorization of \$110.6 million available to be borrowed under Title XII for the month of May 2021.

Notes to the Financial Statements

For the Year Ended June 30, 2020

Note 19. Accounting Changes and Restatements

Beginning net position of governmental activities was restated for an increase of \$6.8 million, to record the other post-employment benefit plan deferred outflows of resources for an implicit subsidy not previously recorded.

Beginning net position of business-type activities was restated for a decrease of \$1.9 million, to record revised accounts payable and claims expense based on the change to methodology for calculating unemployment benefits that resulted in higher claims expense.

In addition, the State implemented GASB Statement No. 84, *Fiduciary Activities*, that enhances the consistency and comparability of fiduciary activity reporting by state and local governments. This change resulted in recording beginning net position of \$6.3 million for the custodial funds to recognize net additions from prior years.

The following table shows the changes to the beginning net position as of July 1, 2019, for the following funds (expressed in thousands):

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Net position at June 30, 2019, as previously reported	\$ 8,466,018	\$ 2,773,390
Unemployment benefits payable	-	(1,890)
Deferred outflows of resources adjustment for implicit subsidy	6,797	-
Net position at July 1, 2019, as restated	<u>\$ 8,472,815</u>	<u>2,771,500</u>

The following table shows the changes to the beginning net position as of July 1, 2019, for the following funds (expressed in thousands):

	<u>Major Enterprise Funds</u>	<u>Fiduciary Funds</u>
	<u>Unemployment Compensation</u>	<u>Custodial Funds</u>
Net position at June 30, 2019, as previously reported	\$ 1,933,966	\$ -
Unemployment benefits payable	(1,890)	-
GASB 84 implementation	-	6,340
Net position at July 1, 2019, as restated	<u>\$ 1,932,076</u>	<u>\$ 6,340</u>

REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information
Budgetary Comparison Schedule
General Fund and Major Special Revenue Funds

For the Fiscal Year Ended June 30, 2020

	General Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Sources of Financial Resources				
Fund balances, July 1	\$ 1,333,758,311	\$ 1,333,758,311	\$ 1,333,758,311	\$ -
<i>Revenues:</i>				
Sales taxes	1,364,231,000	1,364,231,000	1,263,939,456	(100,291,544)
Gaming taxes, fees, licenses	938,887,237	938,887,237	725,200,697	(213,686,540)
Intergovernmental	4,445,604,146	6,025,574,498	5,194,587,189	(830,987,309)
Other taxes	2,387,826,806	2,455,085,045	2,351,946,762	(103,138,283)
Sales, charges for services	292,943,017	310,633,628	276,069,623	(34,564,005)
Licenses, fees and permits	777,069,833	802,817,036	773,304,664	(29,512,372)
Interest	26,817,713	30,261,145	30,108,834	(152,311)
Other	364,886,255	422,509,235	343,687,600	(78,821,635)
<i>Other financing sources:</i>				
Proceeds from sale of bonds	-	-	-	-
Transfers	847,005,408	1,540,082,003	954,697,388	(585,384,615)
Reversions from other funds	-	-	731,631	731,631
Total sources of financial resources	12,779,029,726	15,223,839,138	13,248,032,155	(1,975,806,983)
Uses of Financial Resources				
<i>Expenditures and encumbrances:</i>				
Elected officials	248,217,002	1,140,763,887	282,064,789	858,699,098
Legislative and judicial	178,963,319	181,186,020	99,008,512	82,177,508
Finance and administration	164,677,659	167,638,153	128,508,010	39,130,143
Education - K to 12	2,718,799,484	2,992,634,676	2,615,347,169	377,287,507
Education - higher education	1,050,881,719	1,073,608,231	1,055,466,701	18,141,530
Human services	6,141,383,373	6,653,753,713	5,942,140,696	711,613,017
Commerce and industry	449,964,765	508,993,497	323,501,728	185,491,769
Public safety	514,557,778	616,807,234	513,393,867	103,413,367
Motor vehicles	-	-	-	-
Infrastructure	416,497,714	488,799,439	233,184,553	255,614,886
Special purpose agencies	94,505,702	113,419,076	84,351,255	29,067,821
<i>Other financing uses:</i>				
Transfers to other funds	39,119,993	39,256,993	39,256,993	-
Reversions to other funds	-	-	2,624,748	(2,624,748)
Projected reversions	(50,000,000)	(50,000,000)	-	(50,000,000)
Total uses of financial resources	11,967,568,508	13,926,860,919	11,318,849,021	2,608,011,898
Fund balances, June 30	\$ 811,461,218	\$ 1,296,978,219	\$ 1,929,183,134	\$ 632,204,915

(continued)

<u>State Highway</u>			
<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
\$ 432,363,510	\$ 432,363,510	\$ 432,363,510	\$ -
-	-	-	-
-	-	-	-
370,487,468	388,518,916	347,548,713	(40,970,203)
417,511,891	435,373,050	439,585,745	4,212,695
20,669,710	20,985,207	19,455,573	(1,529,634)
232,020,385	212,981,792	210,467,347	(2,514,445)
6,643,865	12,109,351	10,562,743	(1,546,608)
42,594,394	67,444,604	59,573,716	(7,870,888)
160,000,000	160,000,000	-	(160,000,000)
9,525,951	44,773,971	39,896,856	(4,877,115)
-	-	-	-
<u>1,691,817,174</u>	<u>1,774,550,401</u>	<u>1,559,454,203</u>	<u>(215,096,198)</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
107,352,794	108,786,252	92,836,898	15,949,354
147,437,308	169,199,926	129,563,274	39,636,652
1,087,804,003	1,183,174,723	773,516,117	409,658,606
-	-	-	-
85,614,548	85,614,548	85,614,548	-
-	-	19,402	(19,402)
<u>(69,341,356)</u>	<u>(150,341,356)</u>	-	<u>(150,341,356)</u>
<u>1,358,867,297</u>	<u>1,396,434,093</u>	<u>1,081,550,239</u>	<u>(314,883,854)</u>
<u>\$ 332,949,877</u>	<u>\$ 378,116,308</u>	<u>\$ 477,903,964</u>	<u>\$ 99,787,656</u>

Notes to the Required Supplementary Information

For the Fiscal Year Ended June 30, 2020

Budgetary Reporting

The accompanying Budgetary Comparison Schedule – General Fund and Major Special Revenue Funds presents both the original and the final legally adopted budgets, as well as actual data on a budgetary basis. (Note 2 of the basic financial statements identifies the budgeting process and control.)

The original budget is adopted through passage of the General Appropriations Act, which allows for expenditures from unrestricted revenues, while the Authorized Expenditures Act allows for expenditures from revenues collected for specific purposes (restricted revenues). For programs financed from restricted revenues, spending authorization is generally contingent upon recognition of the related revenue. Reductions of spending authority occur if revenues fall short of estimates. If revenues exceed the estimate, supplemental appropriations are required before the additional resources can be spent.

Generally Accepted Accounting Principles (GAAP) require that the final legal budget be reflected in the “final budget” column. Therefore, updated revenue estimates available for appropriations as of August 20th are reported instead of the amounts disclosed in the original budget. The August 20, 2020 date is used because this is the date for which the Legislative Interim Finance Committee affected the last changes to the fiscal year ended June 30, 2020 budget as permitted by NRS 353.220.

Since the budgetary and GAAP presentations of actual data differ, a reconciliation of ending fund balances is presented below (expressed in thousands):

	<u>General Fund</u>	<u>State Highway</u>
Fund balances (budgetary basis) June 30, 2020	\$ 1,929,183	\$ 477,904
Adjustments:		
<i>Basis differences:</i>		
Petty cash or outside bank accounts	6,593	3,268
Accrual of certain other receivables	351,919	3,111
Inventory	7,244	22,898
Advances to other funds	4,868	3,577
Accrual of certain accounts payable and other liabilities	(493,496)	(2,888)
Unearned revenues	(772,076)	-
Deferred inflows - unavailable	(275,191)	-
Encumbrances	3,878	8,841
Other	25,516	6,324
<i>Perspective differences:</i>		
Special revenue fund reclassified to General Fund for GAAP purposes	16,355	-
Fund balances (GAAP basis) June 30, 2020	<u>\$ 804,793</u>	<u>\$ 523,035</u>

Total fund balance on the budgetary basis in the General Fund at June 30, 2020, is composed of both restricted funds, which are not available for appropriation, and unrestricted funds as follows (expressed in thousands):

Total fund balance (budgetary basis)	\$ 1,929,183
Restricted funds	<u>(1,375,349)</u>
Unrestricted fund balance (budgetary basis)	<u>\$ 553,834</u>

Required Supplementary Information

For the Fiscal Year Ended June 30, 2020

Pension Plan Information

A. Multiple-employer Cost Sharing Plan

Primary Government - The following schedule presents the State's proportionate share of the net pension liability for the Public Employees' Retirement System (expressed in thousands):

	2019	2018	2017	2016	2015	2014
State's proportion of the net pension liability	16.7 %	16.5 %	16.8 %	16.3 %	16.4 %	16.6 %
State's proportionate share of the net pension liability	\$ 2,278,610	\$ 2,248,729	\$ 2,233,666	\$ 2,187,213	\$ 1,879,626	\$ 1,730,601
State's covered payroll	\$ 1,049,306	\$ 997,840	\$ 984,131	\$ 906,687	\$ 874,098	\$ 872,316
State's proportionate share of the net pension liability as a percentage of its covered payroll	217 %	225 %	227 %	241 %	215 %	198 %
Plan fiduciary net position as a percentage of the total pension liability	76 %	75 %	74 %	72 %	75 %	76 %

Note: This schedule requires ten-years of information to be presented. However, until ten-years of data is available, only those years for which information is available will be presented.

The following schedule presents a ten-year history of the State's contributions to the Public Employees' Retirement System (expressed in thousands):

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Statutorily required contributions	\$ 176,300	\$ 161,627	\$ 153,762	\$ 151,492	\$ 190,528	\$ 176,579	\$ 174,712	\$ 162,484	\$ 163,219	\$ 160,959
Contributions in relation to the statutorily required contribution	\$ 176,300	\$ 161,627	\$ 153,762	\$ 151,492	\$ 190,528	\$ 176,579	\$ 174,712	\$ 162,484	\$ 163,219	\$ 160,959
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,092,368	\$ 1,049,306	\$ 997,840	\$ 984,131	\$ 906,687	\$ 874,098	\$ 872,316	\$ 855,179	\$ 859,047	\$ 946,818
Contributions as a percentage of covered payroll	16 %	15 %	15 %	15 %	21 %	20 %	20 %	19 %	19 %	17 %

Note: GASB Statement No. 82 was implemented in fiscal year 2017, and as a result, contributions no longer include payments made by the State to satisfy contribution requirements that are identified by the plan terms as member contributions. In addition, GASB Statement No. 82 clarified covered payroll which was implemented in fiscal year 2017; prior years are not reflective of this change.

Nevada System of Higher Education (NSHE) - The following schedule presents the NSHE's proportionate share of the net pension liability for the Public Employees' Retirement System (expressed in thousands):

	2019	2018	2017	2016	2015	2014
NSHE's proportion of the net pension liability	3.0 %	2.9 %	2.9 %	2.9 %	2.8 %	2.8 %
NSHE's proportionate share of the net pension liability	\$ 414,036	\$ 398,883	\$ 383,226	\$ 389,352	\$ 324,708	\$ 292,841
NSHE's covered payroll	\$ 196,183	\$ 187,737	\$ 179,694	\$ 171,007	\$ 165,653	\$ 162,250
NSHE's proportionate share of the net pension liability as a percentage of its covered payroll	211 %	212 %	213 %	228 %	196 %	180 %
Plan fiduciary net position as a percentage of the total pension liability	76 %	75 %	74 %	72 %	75 %	76 %

Note: This schedule requires ten-years of information to be presented. However, until ten-years of data is available, only those years for which information is available will be presented.

The following schedule presents a ten-year history of the NSHE's contributions to the Public Employees' Retirement System (expressed in thousands):

	2020	2019	2018	2017	2016	2015
Statutorily required contributions	\$ 30,564	\$ 28,549	\$ 27,030	\$ 34,456	\$ 33,124	\$ 29,901
Contributions in relation to the statutorily required contribution	\$ 30,564	\$ 28,549	\$ 27,030	\$ 43,152	\$ 35,756	\$ 29,901
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ 8,696	\$ 2,632	\$ -
Covered payroll	\$ 200,838	\$ 196,183	\$ 187,737	\$ 179,694	\$ 171,007	\$ 165,653
Contributions as a percentage of covered payroll	15 %	15 %	14 %	19 %	19 %	18 %

Notes: 1) GASB Statement No. 82 was implemented in fiscal year 2017, and as a result, contributions no longer include payments made by the NSHE to satisfy contribution requirements that are identified by the plan terms as member contributions. In addition, GASB Statement No. 82 clarified covered payroll which was implemented in fiscal year 2017; prior years are not reflective of this change. 2) This schedule requires ten-years of information to be presented. However, until ten-years of data is available, only those years for which information is available will be presented.

Required Supplementary Information

For the Fiscal Year Ended June 30, 2020

Colorado River Commission (CRC) - The following schedule presents the CRC's proportionate share of the net pension liability for the Public Employees' Retirement System (expressed in thousands):

	2019	2018	2017	2016	2015	2014
CRC's proportion of the net pension liability	0.04 %	0.04 %	0.04 %	0.05 %	0.05 %	0.1 %
CRC's proportionate share of the net pension liability	\$ 5,986	\$ 5,994	\$ 5,867	\$ 6,596	\$ 4,997	\$ 6,305
CRC's covered payroll	\$ 2,970	\$ 2,856	\$ 2,702	\$ 2,575	\$ 2,531	\$ 2,348
CRC's proportionate share of the net pension liability as a percentage of its covered payroll	202 %	210 %	217 %	256 %	197 %	269 %
Plan fiduciary net position as a percentage of the total pension liability	76 %	75 %	74 %	72 %	75 %	76 %

Note: This schedule requires ten-years of information to be presented. However, until ten-years of data is available, only those years for which information is available will be presented.

The following schedule presents a ten-year history of the CRC's contributions to the Public Employees' Retirement System (expressed in thousands):

	2020	2019	2018	2017	2016	2015	2014
Statutorily required contributions	\$ 460	\$ 423	\$ 406	\$ 396	\$ 523	\$ 507	\$ 528
Contributions in relation to the statutorily required contribution	\$ 465	\$ 423	\$ 406	\$ 396	\$ 523	\$ 507	\$ 528
Contribution (deficiency) excess	\$ 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 3,092	\$ 2,970	\$ 2,856	\$ 2,702	\$ 2,575	\$ 2,531	\$ 2,348
Contributions as a percentage of covered payroll	15 %	14 %	14 %	15 %	20 %	20 %	22 %

Notes: 1) GASB Statement No. 82 was implemented in fiscal year 2017, and as a result, contributions no longer include payments made by the CRC to satisfy contribution requirements that are identified by the plan terms as member contributions. In addition, GASB Statement No. 82 clarified covered payroll which was implemented in fiscal year 2017; prior years are not reflective of this change. 2) This schedule requires ten-years of information to be presented. However, until ten-years of data is available, only those years for which information is available will be presented.

B. Single-employer Plan

The following schedule presents the changes in the net pension liability for the Legislators' Retirement System (expressed in thousands):

	2019	2018	2017	2016	2015	2014
Total pension liability						
Service cost	\$ 29	\$ 30	\$ 29	\$ 31	\$ 39	\$ 37
Interest	372	373	398	414	426	428
Differences between expected and actual experience	(266)	47	(82)	(145)	(109)	-
Changes of assumptions	-	-	125	-	-	-
Benefit payments, including refunds	(470)	(460)	(482)	(503)	(497)	(494)
Net change in total pension liability	(335)	(10)	(12)	(203)	(141)	(29)
Total pension liability - beginning	5,165	5,175	5,187	5,390	5,531	5,560
Total pension liability - ending (a)	\$ 4,830	\$ 5,165	\$ 5,175	\$ 5,187	\$ 5,390	\$ 5,531
Plan fiduciary net position						
Contributions - employer	\$ 98	\$ 105	\$ 105	\$ 156	\$ 156	\$ 213
Contributions - employee	24	20	20	23	23	27
Net investment income	342	397	526	62	179	804
Benefit payments, including refunds	(470)	(460)	(481)	(503)	(497)	(494)
Administrative expense	(75)	(72)	(68)	(65)	(85)	(46)
Other	76	73	69	66	86	46
Net change in plan fiduciary net position	(5)	63	171	(261)	(138)	550
Plan fiduciary net position - beginning	4,708	4,645	4,474	4,735	4,873	4,323
Plan fiduciary net position - ending (b)	\$ 4,703	\$ 4,708	\$ 4,645	\$ 4,474	\$ 4,735	\$ 4,873
Net pension liability - beginning	\$ 457	\$ 530	\$ 713	\$ 655	\$ 658	\$ 1,237
Net pension liability - ending (a) - (b)	\$ 127	\$ 457	\$ 530	\$ 713	\$ 655	\$ 658
Plan fiduciary net position as a percentage of total pension liability	97 %	91 %	90 %	86 %	88 %	88 %
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A

Note: This schedule requires ten-years of information to be presented. However, until ten-years of data is available, only those years for which information is available will be presented.

Required Supplementary Information

For the Fiscal Year Ended June 30, 2020

The following schedule presents the State's (primary government's) contributions to the Legislators' Retirement System (expressed in thousands):

	2020	2019	2018	2017	2016	2015
Statutorily required contributions	\$ -	\$ 196	\$ -	\$ 210	\$ -	\$ 312
Contributions in relation to the statutorily required contribution	\$ -	\$ 196	\$ -	\$ 210	\$ -	\$ 312
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A

Note: This schedule requires ten-years of information to be presented. However, until ten-years of data is available, only those years for which information is available will be presented.

C. Agent Multiple-employer Plan

The following schedule presents the changes in the net pension liability for the Judicial Retirement System (expressed in thousands):

	2019	2018	2017	2016	2015	2014
Total pension liability						
Service cost	\$ 4,092	\$ 4,231	\$ 3,718	\$ 3,828	\$ 3,593	\$ 3,411
Interest	10,415	10,141	9,993	9,677	8,876	8,367
Differences between expected and actual experience	(30)	(5,065)	1,123	(4,211)	1,250	(2,666)
Change of assumptions	-	-	79	-	-	-
Benefit payments, including refunds	(6,119)	(5,657)	(5,524)	(5,351)	(4,896)	(4,295)
Other	220	515	419	-	2,357	990
Net change in total pension liability	8,578	4,165	9,808	3,943	11,180	-
Total pension liability - beginning	137,726	133,561	123,753	119,810	108,630	102,823
Total pension liability - ending (a)	\$ 146,304	\$ 137,726	\$ 133,561	\$ 123,753	\$ 119,810	\$ 108,630
Plan fiduciary net position						
Contributions - employer	\$ 5,265	\$ 5,307	\$ 5,786	\$ 5,773	\$ 6,155	\$ 6,002
Contributions - employee	473	115	255	269	96	-
Net investment income	9,551	9,696	12,556	1,556	3,206	14,252
Benefit payments, including refunds	(6,119)	(5,657)	(5,524)	(5,351)	(4,896)	(4,295)
Administrative expense	(106)	(101)	(95)	(90)	(86)	(83)
Other	220	515	419	-	2,357	990
Net change in plan fiduciary net position	9,284	9,875	13,397	2,157	6,832	16,866
Plan fiduciary net position - beginning	124,374	114,499	101,102	98,945	92,113	75,247
Plan fiduciary net position - ending (b)	\$ 133,658	\$ 124,374	\$ 114,499	\$ 101,102	\$ 98,945	\$ 92,113
Net pension liability - beginning	\$ 13,352	\$ 19,062	\$ 22,651	\$ 20,865	\$ 16,517	\$ 27,576
Net pension liability - ending (a) - (b)	\$ 12,646	\$ 13,352	\$ 19,062	\$ 22,651	\$ 20,865	\$ 16,517
Plan fiduciary net position as a percentage of total pension liability	91 %	90 %	86 %	82 %	83 %	85 %
Covered payroll (measurement as of end of fiscal year)	\$ 20,353	\$ 20,451	\$ 20,995	\$ 20,154	\$ 19,930	\$ 18,934
Net pension liability as a percentage of covered payroll	62 %	65 %	91 %	112 %	105	87

Note: This schedule requires ten-years of information to be presented. However, until ten-years of data is available, only those years for which information is available will be presented.

The following schedule presents the State's (primary government's) contributions to the Judicial Retirement System (expressed in thousands):

	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 5,300	\$ 5,191	\$ 5,585	\$ 5,138	\$ 5,443	\$ 5,266
Contributions in relation to the actuarially determined contribution	\$ 4,776	\$ 4,744	\$ 4,789	\$ 5,262	\$ 5,227	\$ 5,535
Contribution (deficiency) excess	\$ (524)	\$ (447)	\$ (796)	\$ 124	\$ (216)	\$ 269
Covered payroll	\$ 17,549	\$ 17,414	\$ 17,583	\$ 18,195	\$ 17,425	\$ 17,132
Contributions as a percentage of covered payroll	27 %	27 %	27 %	29 %	30 %	32 %

Note: This schedule requires ten-years of information to be presented. However, until ten-years of data is available, only those years for which information is available will be presented.

Notes to Required Supplementary Information – actuarial assumptions used in calculating the actuarially determined contributions can be found in Note 10C.

Required Supplementary Information

For the Fiscal Year Ended June 30, 2020

Postemployment Benefits Other Than Pensions (OPEB)

Primary Government - The following schedule presents the State's proportionate share of the collective net OPEB liability (expressed in thousands):

	<u>2019</u>	<u>2018</u>	<u>2017</u>
State's proportion of the collective net OPEB liability	58.14 %	59.88 %	61.43 %
State's proportionate share of the collective net OPEB liability	\$ 810,288	\$ 793,089	\$ 799,477
State's covered payroll *	\$ 1,058,033	\$ 1,010,679	\$ 964,668
State's proportionate share of the collective net OPEB liability as a percentage of its covered payroll *	76.58 %	78.47 %	82.88 %
Plan fiduciary net position as a percentage of the total OPEB liability	0.02 %	0.12 %	0.11 %

Note: This schedule requires ten years of information to be presented. However, until ten years of data is available, only those years for which information is available will be presented.

* The 2017 State's covered payroll and the State's proportionate share of the collective net OPEB liability as a percentage of its covered payroll have been revised.

The following schedule presents the State's contributions to the OPEB plan (expressed in thousands):

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution *	\$ 25,957	\$ 24,758	\$ 23,751
Contributions in relation to the contractually required contribution	\$ 25,957	\$ 24,758	\$ 23,751
Contribution (deficiency) excess *	\$ -	\$ -	\$ -
State's covered payroll *	\$ 1,055,028	\$ 1,058,033	\$ 1,010,679
Contributions as a percentage of covered payroll	2.46 %	2.34 %	2.35 %

Note: This schedule requires ten years of information to be presented. However, until ten years of data is available, only those years for which information is available will be presented.

* The 2018 contractually required contribution, contribution deficiency and State's covered payroll have been revised.

Nevada System of Higher Education (NSHE) - The following schedule presents the NSHE's proportionate share of the collective net OPEB liability (expressed in thousands):

	<u>2019</u>	<u>2018</u>	<u>2017</u>
NSHE's proportion of the collective net OPEB liability	40.85 %	39.13 %	37.59 %
NSHE's proportionate share of the collective net OPEB liability	\$ 569,268	\$ 518,254	\$ 489,754
NSHE's covered payroll	\$ 757,182	\$ 711,803	\$ 625,454
NSHE's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	75.18 %	72.81 %	78.30 %
Plan fiduciary net position as a percentage of the total OPEB liability	0.02 %	0.12 %	0.11 %

Note: This schedule requires ten years of information to be presented. However, until ten years of data is available, only those years for which information is available will be presented.

The following schedule presents the NSHE's contributions to the OPEB plan (expressed in thousands):

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 17,794	\$ 16,727	\$ 15,689
Contributions in relation to the contractually required contribution	\$ 17,716	\$ 16,656	\$ 15,702
Contribution (deficiency) excess	\$ (78)	\$ (71)	\$ 13
NSHE's covered payroll	\$ 757,182	\$ 711,803	\$ 667,622
Contributions as a percentage of covered payroll	2.35 %	2.35 %	2.35 %

Note: This schedule requires ten years of information to be presented. However, until ten years of data is available, only those years for which information is available will be presented.

Required Supplementary Information

For the Fiscal Year Ended June 30, 2020

Colorado River Commission (CRC) - The following schedule presents the CRC's proportionate share of the collective net OPEB liability (expressed in thousands):

	<u>2020</u>	<u>2019</u>	<u>2018</u>
CRC's proportion of the collective net OPEB liability	0.16 %	0.17 %	0.17 %
CRC's proportionate share of the collective net OPEB liability	\$ 2,267	\$ 2,218	\$ 2,261
CRC's covered payroll	\$ 3,105	\$ 3,167	\$ 2,891
CRC's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	73.01 %	70.04 %	78.22 %
Plan fiduciary net position as a percentage of the total OPEB liability	0.02 %	0.12 %	0.11 %

Note: This schedule requires ten years of information to be presented. However, until ten years of data is available, only those years for which information is available will be presented.

The following schedule presents the CRC's contributions to the OPEB plan (expressed in thousands):

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 73	\$ 52	\$ 68
Contributions in relation to the contractually required contribution	\$ 73	\$ 69	\$ 66
Contribution (deficiency) excess	\$ -	\$ 17	\$ (2)
CRC's covered payroll	\$ 3,105	\$ 3,167	\$ 2,750
Contributions as a percentage of covered payroll	2.34 %	1.65 %	2.48 %

Note: This schedule requires ten years of information to be presented. However, until ten years of data is available, only those years for which information is available will be presented.

Notes to Required Supplementary Information - In fiscal year 2019, the discount rate used to measure the total OPEB liability remained the same at 3.87%.

Required Supplementary Information

For the Fiscal Year Ended June 30, 2020

Schedule of Infrastructure Condition and Maintenance Data

The State has adopted the modified approach for reporting infrastructure assets defined as a single roadway network that includes bridges. Bridges are not considered a subsystem as they are included in the cost of road construction. Under this approach, the State expenses certain maintenance and preservation costs and does not report depreciation expense. The single roadway network accounted for under the modified approach includes the combination of 5,400 centerline miles of roads and 1,200 bridges.

The State manages its roadway network by dividing the roadway system into five categories based on the traffic load. The categories range from category I, representing the busiest roadways and interstates, to category V, representing the least busy rural routes with an average daily traffic of less than 400 vehicles. To monitor the condition of the roadways the State uses the International Roughness Index (IRI). IRI measures the cumulative deviation from a smooth surface. The lower the IRI value, the better the condition of the roadway. Results of the condition assessments provide reasonable assurance that the condition level of the roadways is being preserved above, or approximately at, the condition level established for all road categories. The following tables show the State's condition level of the roadways.

Condition Level of the Roadways
Percentage of roadways with an IRI of less than 95

	Category				
	I	II	III	IV	V
State Policy-minimum percentage	70%	65%	60%	40%	10%
Actual results of 2019 condition assessment	91%	86%	88%	57%	28%
Actual results of 2018 condition assessment	90%	88%	91%	58%	25%
Actual results of 2017 condition assessment	90%	85%	90%	61%	25%

The State has set a policy to maintain its bridges so that not more than 7 percent are structurally deficient. The following table shows the State's policy and condition level of the bridges.

Condition Level of the Bridges
Percentage of substandard bridges

	2020	2018	2016
	State Policy-maximum percentage	7%	10%
Actual results condition assessment	1%	1%	2%

The following table shows the State's estimate of spending necessary to preserve and maintain the roadway network at, or above, the established condition level and the actual amount spent during the past five fiscal years.

Maintenance and Preservation Costs
(Expressed in Thousands)

	2020	2019	2018	2017	2016
	Estimated	\$ 178,393	\$ 134,713	\$ 286,153	\$ 171,755
Actual	152,595	130,158	252,859	157,670	295,244

Maintenance and preservation costs are primarily funded with highway user revenue, fuel taxes, vehicle registration and license fees. The funding level for maintenance and preservation costs is affected by the amount of taxes and fees collected and the amount appropriated for construction of new roadways.

COMBINING STATEMENTS AND SCHEDULES

Nonmajor Governmental Funds

NONMAJOR SPECIAL REVENUE FUNDS

Municipal Bond Bank Accounts for revenues and expenditures associated with buying local governments' bonds with proceeds of State general obligation bonds (NRS 350A.190).

Employment Security Accounts for the administration of employment training programs (NRS 612.607), unemployment compensation claims (NRS 612.605), and employment security laws (NRS 612.615).

Regulatory Accounts for receipts and expenditures related to enforcement of regulations pursuant to dairy products (NRS 584.053), legal judgments against real estate licensees (NRS 645.842), regulation of public utilities (NRS 703.147), and regulation of taxicabs (NRS 706.8825).

Higher Education Capital Construction Accounts for the first \$5,000,000 and 20% of the remaining annual slot machine tax, which is designated for capital construction and payment of principal and interest of construction bonds for higher education (NRS 463.385).

Cleaning Up Petroleum Discharges Accounts for fees collected and claims paid related to the use, storage or discharge of petroleum (NRS 445C.310).

Hospital Care to Indigent Persons Accounts for taxes levied to provide care to indigent persons hospitalized from motor vehicle accidents, and for taxes received and payments to counties for supplemental medical assistance to indigent persons (NRS 428.175).

Tourism Promotion Accounts for room taxes and other monies designated for the support of the Commission on Tourism (NRS 231.250).

Offenders' Store Accounts for operations of the general merchandise stores and snack bars used by offenders. Earnings, except interest, must be expended for the welfare and benefit of all offenders (NRS 209.221).

Tobacco Settlement Accounts for proceeds from settlement agreements with and civil actions against manufacturers of tobacco products, forty percent of which is allocated to the Millennium Scholarship fund for the purpose of increasing the number of State residents who enroll in and attend a university or community college of the Nevada System of Higher Education (NRS 396.926), and sixty percent of which is allocated to the Healthy Nevada fund (NRS 439.620) for the purpose of assisting Nevada residents in obtaining and maintaining good health.

Attorney General Settlement Accounts for receipts from the National Mortgage Settlement for purposes of foreclosure relief and housing programs.

Gift Accounts for gifts and grants received by the Department of Conservation and Natural Resources (NRS 232.070), the Department of Wildlife (NRS 501.3585), the State Board of Education (NRS 385.083), the State Library, Archives and Public Records (NRS 378.090), the Division of State Parks (NRS 407.075), the Rehabilitation Division of the Department of Employment, Training and Rehabilitation (NRS 232.960), and the Department of Health and Human Services (NRS 232.355).

Natural Resources Accounts for grants to publicly owned water systems for water conservation and capital improvements (NRS 349.952).

NV Real Property Corp General Fund Accounts for the general fund activity of the Nevada Real Property Corporation, a blended component unit incorporated to finance certain construction projects.

Miscellaneous Accounts for receipts and expenditures related to compensation of victims of crime (NRS 217.260); fees related to private investigators and recoveries for unfair trade practices (NRS 228.096); prosecution of racketeering (NRS 207.415); and the office of advocate for customers of public utilities (NRS 228.310). It also accounts for private money received by the Division of Museums and History for the Dedicated Trust Fund (NRS 381.0031; and receipts for the care of sites for the disposal of radioactive waste (NRS 459.231).

NONMAJOR DEBT SERVICE FUNDS

Consolidated Bond Interest and Redemption Fund Accumulates monies for the payment of leases and of principal and interest on general obligation bonds of the State (NRS 349.090).

Highway Revenue Bonds Accumulates monies for the payment of principal and interest on highway revenue bonds of the State (NRS 349.300).

NONMAJOR CAPITAL PROJECTS FUNDS

Parks Capital Project Construction Accounts for the parks improvements program for the Division of State Parks of the Department of Conservation and Natural Resources (NRS 407.065).

Capital Improvement Program - Motor Vehicle Accounts for capital improvement projects for the Department of Motor Vehicles and Public Safety (NRS 341.146).

Capital Improvement Program - Human Resources Accounts for capital improvement projects for the Department of Health and Human Services (NRS 341.146).

Capital Improvement Program - University System Accounts for capital improvement projects for the Nevada System of Higher Education (NRS 341.146).

Capital Improvement Program - General State Government Accounts for capital improvement projects for general government (NRS 341.146).

Capital Improvement Program - Prison System Accounts for capital improvement projects for the Department of Corrections (NRS 341.146).

Capital Improvement Program - Military Accounts for capital improvement projects for the Department of Military (NRS 341.146).

Capital Improvement Program - Wildlife Accounts for capital improvement projects for the Department of Wildlife (NRS 341.146).

NONMAJOR PERMANENT FUNDS

Permanent School Fund Accounts for certain property and the proceeds derived from such property, escheated estates, and all fines collected under penal laws of the State, which become permanent assets of the fund. All earnings on the assets are to be used for education (State Constitution, Article 11, Section 3).

Henry Wood Christmas Fund Accounts for the bequest of the late Henry Wood to provide Christmas gifts to orphans.

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2020

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
Assets					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ 220,610,642	\$ 173,640,275	\$ 228,651,701	\$ 40,931,472	\$ 663,834,090
Cash in custody of other officials	94,627	-	-	10,579,381	10,674,008
Investments	1,381,547	-	-	344,238,735	345,620,282
<i>Receivables:</i>					
Accounts receivable	29,455,792	-	-	660	29,456,452
Taxes receivable	2,030,999	-	-	-	2,030,999
Intergovernmental receivables	35,938,761	816,027	797,569	578,794	38,131,151
Accrued interest and dividends	1,069,416	-	-	313,541	1,382,957
Notes/loans receivable	83,680,000	-	-	-	83,680,000
Capital lease receivable	46,355,000	-	-	-	46,355,000
Due from other funds	30,422,004	15,968,792	54,013,803	274,269	100,678,868
Due from fiduciary funds	1,221,195	-	-	-	1,221,195
Due from component units	179,500	-	-	23,952,607	24,132,107
Inventory	478,727	-	-	-	478,727
Prepaid items	94,665	-	-	-	94,665
Total assets	\$ 453,012,875	\$ 190,425,094	\$ 283,463,073	\$ 420,869,459	\$ 1,347,770,501
Liabilities					
<i>Accounts payable and accruals:</i>					
Accounts payable	\$ 7,931,389	\$ -	\$ 105,640	\$ 1,315	\$ 8,038,344
Accrued payroll and related liabilities	2,729,721	-	-	-	2,729,721
Intergovernmental payables	779,850	-	-	-	779,850
Contracts/retentions payable	-	-	27,951,156	-	27,951,156
Due to other funds	56,458,101	4,321,820	77,738,872	36,289,080	174,807,873
Due to fiduciary funds	13,697	-	-	-	13,697
Due to component units	1,766,025	-	58,474,528	-	60,240,553
Unearned revenues	1,700,686	-	-	-	1,700,686
Other liabilities	16,433,986	-	-	530,462	16,964,448
Total liabilities	87,813,455	4,321,820	164,270,196	36,820,857	293,226,328
Deferred Inflows of Resources					
<i>Unavailable revenue:</i>					
Taxes	383,386	-	-	-	383,386
Licenses, fees and permits	199	-	-	-	199
Settlement income	17,408,905	-	-	-	17,408,905
Lease principal payments	46,355,000	-	-	-	46,355,000
Interest	438,542	125,074	172,874	25,229	761,719
Other	1,107,456	-	-	660	1,108,116
Total deferred inflows of resources	65,693,488	125,074	172,874	25,889	66,017,325
Fund Balances					
Nonspendable	573,392	-	-	383,664,078	384,237,470
Restricted	80,175,755	27,654,602	70,545,674	358,635	178,734,666
Committed	218,756,785	158,323,598	48,474,329	-	425,554,712
Total fund balances	299,505,932	185,978,200	119,020,003	384,022,713	988,526,848
Total liabilities and deferred inflows of resources and fund balances	\$ 453,012,875	\$ 190,425,094	\$ 283,463,073	\$ 420,869,459	\$ 1,347,770,501

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2020

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
Revenues					
Gaming taxes, fees, licenses	\$ 11,734,123	\$ -	\$ -	\$ -	\$ 11,734,123
Property and transfer taxes	15,144,694	176,446,527	-	-	191,591,221
Motor and special fuel taxes	-	74,605,842	-	-	74,605,842
Other taxes	51,728,514	-	-	-	51,728,514
Intergovernmental	95,382,108	2,368,724	16,617,591	-	114,368,423
Licenses, fees and permits	22,304,966	-	-	-	22,304,966
Sales and charges for services	21,393,743	191,355	-	-	21,585,098
Interest and investment income	8,163,836	4,748,832	2,536,949	20,239,241	35,688,858
Settlement income	39,046,996	-	-	-	39,046,996
Land sales	-	-	-	11,321,964	11,321,964
Other	17,241,425	-	-	5,270,907	22,512,332
Total revenues	282,140,405	258,361,280	19,154,540	36,832,112	596,488,337
Expenditures					
<i>Current:</i>					
General government	39,205,318	359,757	-	-	39,565,075
Health services	9,180	-	-	-	9,180
Social services	91,512,982	-	-	-	91,512,982
Education - K-12 administrative	4,923,268	-	-	-	4,923,268
Education - higher education	3,447,341	-	47,090,649	-	50,537,990
Law, justice and public safety	32,226,689	-	-	-	32,226,689
Regulation of business	20,353,033	-	-	-	20,353,033
Recreation and resource development	26,424,818	-	-	-	26,424,818
Capital outlay	-	-	96,282,332	-	96,282,332
<i>Debt service:</i>					
Principal	-	173,340,000	-	-	173,340,000
Interest	325	93,100,674	-	-	93,100,999
Debt issuance costs	70,245	-	575,701	-	645,946
Total expenditures	218,173,199	266,800,431	143,948,682	-	628,922,312
Excess (deficiency) of revenues over (under) expenditures	63,967,206	(8,439,151)	(124,794,142)	36,832,112	(32,433,975)
Other Financing Sources (Uses)					
Bonds issued	5,175,000	-	111,070,000	-	116,245,000
Refunding bonds issued	-	-	43,925,000	-	43,925,000
Premium on bonds issued	273,447	-	19,413,553	-	19,687,000
Payment to refunded bond agent	-	(5,074,573)	(52,175,599)	-	(57,250,172)
Transfers in	18,964,055	26,955,262	67,110,723	-	113,030,040
Transfers out	(104,583,117)	-	(62,658,743)	(19,564,942)	(186,806,802)
Total other financing sources (uses)	(80,170,615)	21,880,689	126,684,934	(19,564,942)	48,830,066
Net change in fund balances	(16,203,409)	13,441,538	1,890,792	17,267,170	16,396,091
Fund balances, July 1	315,709,341	172,536,662	117,129,211	366,755,543	972,130,757
Fund balances, June 30	\$ 299,505,932	\$ 185,978,200	\$ 119,020,003	\$ 384,022,713	\$ 988,526,848

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2020

	Municipal Bond Bank	Employment Security	Regulatory	Higher Education Capital Construction
Assets				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 6,520	\$ 24,593,590	\$ 13,034,811	\$ 2,095,898
Cash in custody of other officials	-	-	2,000	-
Investments	-	-	-	-
<i>Receivables:</i>				
Accounts receivable	-	6,304	157,025	108
Taxes receivable	-	383,386	-	-
Intergovernmental receivables	-	14,215,109	75,016	-
Accrued interest and dividends	1,069,320	-	-	-
Notes/loans receivable	83,680,000	-	-	-
Capital lease receivable	-	-	-	-
Due from other funds	417	2,655,103	395,207	9,938,754
Due from fiduciary funds	-	-	-	-
Due from component units	-	-	-	-
Inventory	-	-	-	-
Prepaid items	-	50,760	26,590	-
Total assets	\$ 84,756,257	\$ 41,904,252	\$ 13,690,649	\$ 12,034,760
Liabilities				
<i>Accounts payable and accruals:</i>				
Accounts payable	\$ -	\$ 5,402,633	\$ 122,253	\$ 188
Accrued payroll and related liabilities	-	1,564,770	627,289	-
Intergovernmental payables	-	305,180	-	-
Due to other funds	-	4,696,936	203,479	6,724,879
Due to fiduciary funds	-	602	-	-
Due to component units	-	15,157	-	-
Unearned revenues	-	-	1,700,686	-
Other liabilities	-	-	-	-
Total liabilities	-	11,985,278	2,653,707	6,725,067
Deferred Inflows of Resources				
<i>Unavailable revenue:</i>				
Taxes	-	383,386	-	-
Licenses, fees and permits	-	-	199	-
Settlement income	-	-	-	-
Lease principal payments	-	-	-	-
Interest	135,516	18,477	4,390	-
Other	-	51	11,073	108
Total deferred inflows of resources	135,516	401,914	15,662	108
Fund Balances				
Nonspendable	-	50,760	26,590	-
Restricted	-	15,548,310	4,624,562	-
Committed	84,620,741	13,917,990	6,370,128	5,309,585
Total fund balances	84,620,741	29,517,060	11,021,280	5,309,585
Total liabilities, deferred inflows of resources, and fund balances	\$ 84,756,257	\$ 41,904,252	\$ 13,690,649	\$ 12,034,760

(continued)

<u>Cleaning Up Petroleum Discharges</u>	<u>Hospital Care to Indigent Persons</u>	<u>Tourism Promotion</u>	<u>Offenders' Store</u>	<u>Tobacco Settlement</u>	<u>Attorney General Settlement</u>	<u>Gift</u>
\$ 11,345,136	\$ 14,468,136	\$ 4,452,197	\$ 16,843,325	\$ 67,607,127	\$ 12,307,091	\$ 2,798,739
-	-	-	-	-	-	26,434
-	-	-	-	-	-	68,504
3,300	-	10,126	6,172,364	17,408,905	-	5,050,316
1,253,016	394,597	-	-	-	-	-
-	21,506,007	-	-	-	-	-
-	-	-	-	-	-	96
-	-	-	-	-	-	-
64,387	274,859	1,165,589	393,240	2,274,982	188,712	16,911
-	-	-	1,188,239	-	-	-
-	-	-	-	-	-	-
-	-	-	280,190	-	-	-
-	-	1,898	9,013	474	2,491	-
<u>\$ 12,665,839</u>	<u>\$ 36,643,599</u>	<u>\$ 5,629,810</u>	<u>\$ 24,886,371</u>	<u>\$ 87,291,488</u>	<u>\$ 12,498,294</u>	<u>\$ 7,961,000</u>
\$ 72,470	\$ -	\$ 387,937	\$ 225,432	\$ 611,854	\$ 274,514	\$ 113,537
-	-	72,593	219,565	15,165	88,634	-
-	-	152,115	-	130,940	-	34,525
2,816,879	10,518,380	152,421	719,361	5,322,912	10,949	15,895
-	-	-	13,095	-	-	-
-	-	-	-	39,217	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>2,889,349</u>	<u>10,518,380</u>	<u>765,066</u>	<u>1,177,453</u>	<u>6,120,088</u>	<u>374,097</u>	<u>163,957</u>
-	-	-	-	-	-	-
-	-	-	-	17,408,905	-	-
-	-	-	-	-	-	-
6,337	8,966	85	18,337	42,637	8,831	1,927
-	-	-	1,096,201	-	-	-
<u>6,337</u>	<u>8,966</u>	<u>85</u>	<u>1,114,538</u>	<u>17,451,542</u>	<u>8,831</u>	<u>1,927</u>
-	-	1,898	289,203	474	2,491	-
-	-	-	22,305,177	-	12,112,875	7,328,373
9,770,153	26,116,253	4,862,761	-	63,719,384	-	466,743
<u>9,770,153</u>	<u>26,116,253</u>	<u>4,864,659</u>	<u>22,594,380</u>	<u>63,719,858</u>	<u>12,115,366</u>	<u>7,795,116</u>
<u>\$ 12,665,839</u>	<u>\$ 36,643,599</u>	<u>\$ 5,629,810</u>	<u>\$ 24,886,371</u>	<u>\$ 87,291,488</u>	<u>\$ 12,498,294</u>	<u>\$ 7,961,000</u>

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2020

	NV Real Property Corp General			Total Nonmajor Special Revenue Funds
	Natural Resources	Fund	Miscellaneous	
Assets				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 8,757,543	\$ 355,175	\$ 41,945,354	\$ 220,610,642
Cash in custody of other officials	-	-	66,193	94,627
Investments	-	-	1,313,043	1,381,547
<i>Receivables:</i>				
Accounts receivable	-	-	647,344	29,455,792
Taxes receivable	-	-	-	2,030,999
Intergovernmental receivables	-	-	142,629	35,938,761
Accrued interest and dividends	-	-	-	1,069,416
Notes/loans receivable	-	-	-	83,680,000
Capital lease receivable	-	46,355,000	-	46,355,000
Due from other funds	168,062	131,242	12,754,539	30,422,004
Due from fiduciary funds	-	-	32,956	1,221,195
Due from component units	-	179,500	-	179,500
Inventory	-	-	198,537	478,727
Prepaid items	-	-	3,439	94,665
Total assets	\$ 8,925,605	\$ 47,020,917	\$ 57,104,034	\$ 453,012,875
Liabilities				
<i>Accounts payable and accruals:</i>				
Accounts payable	\$ 43,365	-	\$ 677,206	\$ 7,931,389
Accrued payroll and related liabilities	-	-	141,705	2,729,721
Intergovernmental payables	72,666	-	84,424	779,850
Due to other funds	142,966	-	25,133,044	56,458,101
Due to fiduciary funds	-	-	-	13,697
Due to component units	-	-	1,711,651	1,766,025
Unearned revenues	-	-	-	1,700,686
Other liabilities	-	-	16,433,986	16,433,986
Total liabilities	258,997	-	44,182,016	87,813,455
Deferred Inflows of Resources				
<i>Unavailable revenue:</i>				
Taxes	-	-	-	383,386
Licenses, fees and permits	-	-	-	199
Settlement income	-	-	-	17,408,905
Lease principal payments	-	46,355,000	-	46,355,000
Interest	6,098	180,699	6,242	438,542
Other	-	-	23	1,107,456
Total deferred inflows of resources	6,098	46,535,699	6,265	65,693,488
Fund Balances				
Nonspendable	-	-	201,976	573,392
Restricted	8,660,510	485,218	9,110,730	80,175,755
Committed	-	-	3,603,047	218,756,785
Total fund balances	8,660,510	485,218	12,915,753	299,505,932
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,925,605	\$ 47,020,917	\$ 57,104,034	\$ 453,012,875

[Page Intentionally Left Blank]

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2020

	Municipal Bond Bank	Employment Security	Regulatory	Higher Education Capital Construction
Revenues				
Gaming taxes, fees, licenses	\$ -	\$ -	\$ -	\$ 11,734,123
Property and transfer taxes	-	-	-	-
Other taxes	-	16,857,245	63,810	-
Intergovernmental	-	73,123,161	752,940	-
Licenses, fees and permits	-	378,612	17,474,468	-
Sales and charges for services	-	202,034	3,937	-
Interest and investment income	3,202,088	686,324	181,186	-
Settlement income	-	-	-	-
Other	-	-	406,613	-
Total revenues	3,202,088	91,247,376	18,882,954	11,734,123
Expenditures				
<i>Current:</i>				
General government	-	-	-	-
Health services	-	-	-	-
Social services	-	85,552,368	-	-
Education - K-12 administrative	-	-	-	-
Education - higher education	-	-	-	3,447,341
Law, justice and public safety	-	-	-	-
Regulation of business	-	-	19,790,856	-
Recreation and resource development	-	-	-	-
<i>Debt service:</i>				
Interest	-	-	-	325
Debt issuance costs	-	-	-	-
Total expenditures	-	85,552,368	19,790,856	3,447,666
Excess (deficiency) of revenues over (under) expenditures	3,202,088	5,695,008	(907,902)	8,286,457
Other Financing Sources (Uses)				
Bonds issued	-	-	-	-
Premium on bonds issued	-	-	-	-
Transfers in	-	5,663,869	498,033	-
Transfers out	(7,661,787)	(3,534,477)	(358,835)	(11,520,075)
Total other financing sources (uses)	(7,661,787)	2,129,392	139,198	(11,520,075)
Net change in fund balances	(4,459,699)	7,824,400	(768,704)	(3,233,618)
Fund balances, July 1	89,080,440	21,692,660	11,789,984	8,543,203
Fund balances, June 30	\$ 84,620,741	\$ 29,517,060	\$ 11,021,280	\$ 5,309,585

(continued)

Cleaning Up Petroleum Discharges	Hospital Care to Indigent Persons	Tourism Promotion	Offenders' Store	Tobacco Settlement	Attorney General Settlement	Gift
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
-	15,144,694	-	-	-	-	-
14,254,940	-	19,088,134	-	-	-	-
-	21,506,007	-	-	-	-	-
399,200	-	27,354	-	-	-	-
-	-	-	20,438,469	-	-	-
234,176	438,315	3,274	696,655	1,756,578	357,331	40,343
-	-	-	-	39,046,996	-	-
-	-	725	32,743	2,664	-	8,214,341
<u>14,888,316</u>	<u>37,089,016</u>	<u>19,119,487</u>	<u>21,167,867</u>	<u>40,806,238</u>	<u>357,331</u>	<u>8,254,684</u>
-	-	-	-	39,099,636	-	102,932
-	-	-	-	-	-	-
-	70,000	-	-	5,837,646	-	52,968
-	-	-	-	-	-	4,923,268
-	-	-	15,349,703	-	5,000,278	-
-	-	-	-	-	-	-
8,877,889	-	15,301,791	-	-	-	764,054
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>8,877,889</u>	<u>70,000</u>	<u>15,301,791</u>	<u>15,349,703</u>	<u>44,937,282</u>	<u>5,000,278</u>	<u>5,843,222</u>
<u>6,010,427</u>	<u>37,019,016</u>	<u>3,817,696</u>	<u>5,818,164</u>	<u>(4,131,044)</u>	<u>(4,642,947)</u>	<u>2,411,462</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	235,609	42,327	9,566,132	116,454	988
<u>(3,807,343)</u>	<u>(41,146,628)</u>	<u>(5,356,033)</u>	<u>(4,044,269)</u>	<u>(19,608,555)</u>	<u>-</u>	<u>-</u>
<u>(3,807,343)</u>	<u>(41,146,628)</u>	<u>(5,120,424)</u>	<u>(4,001,942)</u>	<u>(10,042,423)</u>	<u>116,454</u>	<u>988</u>
2,203,084	(4,127,612)	(1,302,728)	1,816,222	(14,173,467)	(4,526,493)	2,412,450
7,567,069	30,243,865	6,167,387	20,778,158	77,893,325	16,641,859	5,382,666
<u>\$ 9,770,153</u>	<u>\$ 26,116,253</u>	<u>\$ 4,864,659</u>	<u>\$ 22,594,380</u>	<u>\$ 63,719,858</u>	<u>\$ 12,115,366</u>	<u>\$ 7,795,116</u>

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2020

	Natural Resources	NV Real Property Corp General Fund	Miscellaneous	Total Nonmajor Special Revenue Funds
Revenues				
Gaming taxes, fees, licenses	\$ -	\$ -	\$ -	\$ 11,734,123
Property and transfer taxes	-	-	-	15,144,694
Other taxes	-	-	1,464,385	51,728,514
Intergovernmental	-	-	-	95,382,108
Licenses, fees and permits	111,073	-	3,914,259	22,304,966
Sales and charges for services	-	-	749,303	21,393,743
Interest and investment income	215,874	54,597	297,095	8,163,836
Settlement income	-	-	-	39,046,996
Other	-	6,786,849	1,797,490	17,241,425
Total revenues	326,947	6,841,446	8,222,532	282,140,405
Expenditures				
<i>Current:</i>				
General government	-	2,750	-	39,205,318
Health services	-	-	9,180	9,180
Social services	-	-	-	91,512,982
Education - K-12 administrative	-	-	-	4,923,268
Education - higher education	-	-	-	3,447,341
Law, justice and public safety	-	-	11,876,708	32,226,689
Regulation of business	-	-	562,177	20,353,033
Recreation and resource development	1,481,084	-	-	26,424,818
<i>Debt service:</i>				
Interest	-	-	-	325
Debt issuance costs	70,245	-	-	70,245
Total expenditures	1,551,329	2,750	12,448,065	218,173,199
Excess (deficiency) of revenues over (under) expenditures	(1,224,382)	6,838,696	(4,225,533)	63,967,206
Other Financing Sources (Uses)				
Bonds issued	5,175,000	-	-	5,175,000
Premium on bonds issued	273,447	-	-	273,447
Transfers in	-	-	2,840,643	18,964,055
Transfers out	(259,758)	(6,835,984)	(449,373)	(104,583,117)
Total other financing sources (uses)	5,188,689	(6,835,984)	2,391,270	(80,170,615)
Net change in fund balances	3,964,307	2,712	(1,834,263)	(16,203,409)
Fund balances, July 1	4,696,203	482,506	14,750,016	315,709,341
Fund balances, June 30	\$ 8,660,510	\$ 485,218	\$ 12,915,753	\$ 299,505,932

[Page Intentionally Left Blank]

Combining Balance Sheet

Other Nonmajor Governmental Funds

June 30, 2020

	Debt Service Funds			Capital Projects Funds	
	Consolidated Bond Interest and Redemption	Highway Revenue Bonds	Total	Parks Capital Project Construction	CIP Motor Vehicle
Assets					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ 158,419,858	\$ 15,220,417	\$ 173,640,275	\$ -	\$ 14,221,876
Cash in custody of other officials	-	-	-	-	-
Investments	-	-	-	-	-
<i>Receivables:</i>					
Accounts receivable	-	-	-	-	-
Intergovernmental receivables	816,027	-	816,027	-	-
Accrued interest and dividends	-	-	-	-	-
Due from other funds	3,534,607	12,434,185	15,968,792	30,097	137,628
Due from component units	-	-	-	-	-
Total assets	\$ 162,770,492	\$ 27,654,602	\$ 190,425,094	\$ 30,097	\$ 14,359,504
Liabilities					
<i>Accounts payable and accruals:</i>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Contracts/retentions payable	-	-	-	-	5,664,077
Due to other funds	4,321,820	-	4,321,820	30,097	73,334
Due to component units	-	-	-	-	-
Other liabilities	-	-	-	-	-
Total liabilities	4,321,820	-	4,321,820	30,097	5,737,411
Deferred Inflows of Resources					
<i>Unavailable revenue:</i>					
Interest	125,074	-	125,074	-	12,940
Other	-	-	-	-	-
Total deferred inflows of resources	125,074	-	125,074	-	12,940
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	-	27,654,602	27,654,602	-	8,609,153
Committed	158,323,598	-	158,323,598	-	-
Total fund balances	158,323,598	27,654,602	185,978,200	-	8,609,153
Total liabilities and deferred inflows of resources and fund balances	\$ 162,770,492	\$ 27,654,602	\$ 190,425,094	\$ 30,097	\$ 14,359,504

(continued)

Capital Projects Funds						
CIP University System	CIP General State Government	CIP Prison System	CIP Military	CIP Wildlife	CIP Bond Proceeds	Total
\$ 81,106,862	\$ 30,218,594	\$ 18,234,662	\$ 1,863,733	\$ 640	\$ 83,005,334	\$ 228,651,701
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	797,569	-	-	797,569
-	-	-	-	-	-	-
20,615,370	14,399,963	17,156,285	1,081,026	76,413	517,021	54,013,803
-	-	-	-	-	-	-
<u>\$ 101,722,232</u>	<u>\$ 44,618,557</u>	<u>\$ 35,390,947</u>	<u>\$ 3,742,328</u>	<u>\$ 77,053</u>	<u>\$ 83,522,355</u>	<u>\$ 283,463,073</u>
\$ -	\$ 2,584	\$ 99,309	\$ 3,747	\$ -	\$ -	\$ 105,640
16,638,965	1,673,823	2,058,550	1,839,328	76,413	-	27,951,156
26,510,865	494,446	38,519	161,558	640	50,429,413	77,738,872
58,474,528	-	-	-	-	-	58,474,528
-	-	-	-	-	-	-
<u>101,624,358</u>	<u>2,170,853</u>	<u>2,196,378</u>	<u>2,004,633</u>	<u>77,053</u>	<u>50,429,413</u>	<u>164,270,196</u>
97,874	62	-	-	-	61,998	172,874
-	-	-	-	-	-	-
<u>97,874</u>	<u>62</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,998</u>	<u>172,874</u>
-	-	-	-	-	-	-
-	12,757,631	14,808,346	1,339,600	-	33,030,944	70,545,674
-	29,690,011	18,386,223	398,095	-	-	48,474,329
-	<u>42,447,642</u>	<u>33,194,569</u>	<u>1,737,695</u>	<u>-</u>	<u>33,030,944</u>	<u>119,020,003</u>
<u>\$ 101,722,232</u>	<u>\$ 44,618,557</u>	<u>\$ 35,390,947</u>	<u>\$ 3,742,328</u>	<u>\$ 77,053</u>	<u>\$ 83,522,355</u>	<u>\$ 283,463,073</u>

Combining Balance Sheet Other Nonmajor Governmental Funds

June 30, 2020

	Permanent Funds		
	Permanent School Fund	Henry Wood Christmas	Total
Assets			
<i>Cash and pooled investments:</i>			
Cash with treasurer	\$ 40,878,861	\$ 52,611	\$ 40,931,472
Cash in custody of other officials	10,579,381	-	10,579,381
Investments	344,238,735	-	344,238,735
<i>Receivables:</i>			
Accounts receivable	660	-	660
Intergovernmental receivables	578,794	-	578,794
Accrued interest and dividends	313,541	-	313,541
Due from other funds	273,975	294	274,269
Due from component units	23,952,607	-	23,952,607
Total assets	\$ 420,816,554	\$ 52,905	\$ 420,869,459
Liabilities			
<i>Accounts payable and accruals:</i>			
Accounts payable	\$ 1,315	\$ -	\$ 1,315
Contracts/retentions payable	-	-	-
Due to other funds	36,288,092	988	36,289,080
Due to component units	-	-	-
Other liabilities	530,462	-	530,462
Total liabilities	36,819,869	988	36,820,857
Deferred Inflows of Resources			
<i>Unavailable revenue:</i>			
Interest	25,193	36	25,229
Other	660	-	660
Total deferred inflows of resources	25,853	36	25,889
Fund Balances			
Nonspendable	383,634,078	30,000	383,664,078
Restricted	336,754	21,881	358,635
Committed	-	-	-
Total fund balances	383,970,832	51,881	384,022,713
Total liabilities and deferred inflows of resources and fund balances	\$ 420,816,554	\$ 52,905	\$ 420,869,459

[Page Intentionally Left Blank]

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Other Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2020

	Debt Service Funds			Capital Projects Funds	
	Consolidated Bond Interest and Redemption	Highway Revenue Bonds	Total	Parks Capital Project Construction	CIP Motor Vehicle
Revenues					
Property and transfer taxes	\$ 176,446,527	\$ -	\$ 176,446,527	\$ -	\$ -
Motor and special fuel taxes	-	74,605,842	74,605,842	-	-
Intergovernmental	2,368,724	-	2,368,724	-	-
Sales and charges for services	191,355	-	191,355	-	-
Interest and investment income	4,748,832	-	4,748,832	54	421,324
Land sales	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	183,755,438	74,605,842	258,361,280	54	421,324
Expenditures					
<i>Current:</i>					
General government	359,757	-	359,757	-	-
Education - higher education	-	-	-	-	-
Capital outlay	-	-	-	35,176	32,907,990
<i>Debt service:</i>					
Principal	132,505,000	40,835,000	173,340,000	-	-
Interest	60,349,686	32,750,988	93,100,674	-	-
Debt issuance costs	-	-	-	-	52,506
Total expenditures	193,214,443	73,585,988	266,800,431	35,176	32,960,496
Excess (deficiency) of revenues over (under) expenditures	(9,459,005)	1,019,854	(8,439,151)	(35,122)	(32,539,172)
Other Financing Sources (Uses)					
Bonds issued	-	-	-	-	14,180,000
Refunding bonds issued	-	-	-	-	-
Premium on bonds issued	-	-	-	-	1,680,501
Payment to refunded bond agent	(5,074,573)	-	(5,074,573)	-	-
Transfers in	26,955,262	-	26,955,262	35,122	709,968
Transfers out	-	-	-	-	-
Total other financing sources (uses)	21,880,689	-	21,880,689	35,122	16,570,469
Net change in fund balances	12,421,684	1,019,854	13,441,538	-	(15,968,703)
Fund balances, July 1	145,901,914	26,634,748	172,536,662	-	24,577,856
Fund balances, June 30	\$ 158,323,598	\$ 27,654,602	\$ 185,978,200	\$ -	\$ 8,609,153

(continued)

Capital Projects Funds						
CIP University System	CIP General State Government	CIP Prison System	CIP Military	CIP Wildlife	CIP Bond Proceeds	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	35,000	-	16,582,591	-	-	16,617,591
-	-	-	-	-	-	-
-	444	-	-	-	2,115,127	2,536,949
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	35,444	-	16,582,591	-	2,115,127	19,154,540
-	-	-	-	-	-	-
16,206,659	-	-	-	-	-	-
-	18,988,502	16,588,314	27,423,281	339,069	30,883,990	47,090,649
-	-	-	-	-	-	-
-	-	-	-	-	-	-
53,858	-	-	-	-	469,337	575,701
16,260,517	18,988,502	16,588,314	27,423,281	339,069	31,353,327	143,948,682
(16,260,517)	(18,953,058)	(16,588,314)	(10,840,690)	(339,069)	(29,238,200)	(124,794,142)
14,550,000	-	-	-	-	82,340,000	111,070,000
-	-	-	-	-	43,925,000	43,925,000
1,710,517	-	-	-	-	16,022,535	19,413,553
-	-	-	-	-	(52,175,599)	(52,175,599)
-	29,901,608	32,211,370	3,913,587	339,068	-	67,110,723
-	(10,000)	-	-	-	(62,648,743)	(62,658,743)
16,260,517	29,891,608	32,211,370	3,913,587	339,068	27,463,193	126,684,934
-	10,938,550	15,623,056	(6,927,103)	(1)	(1,775,007)	1,890,792
-	31,509,092	17,571,513	8,664,798	1	34,805,951	117,129,211
\$ -	\$ 42,447,642	\$ 33,194,569	\$ 1,737,695	\$ -	\$ 33,030,944	\$ 119,020,003

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Other Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2020

	Permanent Funds		
	Permanent School Fund	Henry Wood Christmas	Total
Revenues			
Property and transfer taxes	\$ -	\$ -	\$ -
Motor and special fuel taxes	-	-	-
Intergovernmental	-	-	-
Sales and charges for services	-	-	-
Interest and investment income	20,237,823	1,418	20,239,241
Land sales	11,321,964	-	11,321,964
Other	5,270,907	-	5,270,907
Total revenues	36,830,694	1,418	36,832,112
Expenditures			
<i>Current:</i>			
General government	-	-	-
Education - higher education	-	-	-
Capital outlay	-	-	-
<i>Debt service:</i>			
Principal	-	-	-
Interest	-	-	-
Debt issuance costs	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	36,830,694	1,418	36,832,112
Other Financing Sources (Uses)			
Bonds issued	-	-	-
Refunding bonds issued	-	-	-
Premium on bonds issued	-	-	-
Payment to refunded bond agent	-	-	-
Transfers in	-	-	-
Transfers out	(19,563,954)	(988)	(19,564,942)
Total other financing sources (uses)	(19,563,954)	(988)	(19,564,942)
Net change in fund balances	17,266,740	430	17,267,170
Fund balances, July 1	366,704,092	51,451	366,755,543
Fund balances, June 30	\$ 383,970,832	\$ 51,881	\$ 384,022,713

[Page Intentionally Left Blank]

Schedule of Total Uses - Budget and Actual , Non-GAAP Budgetary Basis

All General Fund Budgets

For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance
Elected officials			
Attorney General Administrative Account	\$ 31,445,218	\$ 30,208,610	\$ 1,236,608
Attorney General Council For Prosecuting Attorneys	376,021	181,310	194,711
Attorney General Crime Prevention	594,378	584,269	10,109
Attorney General Extradition Coordinator	831,199	737,269	93,930
Attorney General Forfeiture	42,429	8,808	33,621
Attorney General Medicaid Fraud	3,971,451	2,575,362	1,396,089
Attorney General Private Investigator Licensing Bd	2,584,400	1,569,835	1,014,565
Attorney General Special Litigation Fund	4,640,498	3,773,989	866,509
Attorney General State Settlements	7,400,683	4,994,743	2,405,940
Attorney General Victims of Domestic Violence	481,573	396,161	85,412
Attorney General Violence Against Women Grants	6,093,217	3,371,150	2,722,067
Attorney General Workers' Compensation Fraud	4,737,015	4,218,295	518,720
Controller's Office	5,822,894	5,401,753	421,141
Controller's Office Debt Recovery	630,567	54,895	575,672
Governor's Athletic Commission	3,529,309	1,430,626	2,098,683
Governor's Finance Office	6,121,977	5,463,362	658,615
Governor's High Level Nuclear Waste	2,045,812	1,887,889	157,923
Governor's Finance Division of Internal Audits	1,680,294	1,658,907	21,387
Governor's Finance Office Info Technology Project	43,374,661	9,762,139	33,612,522
Governor's Finance Office Special Appropriations	45,717,358	42,078,107	3,639,251
Governor's Mansion Maintenance	340,671	316,815	23,856
Governor's Merit Award Board	3,621	3,621	-
Governor's NV P20 Workforce Reporting	919,733	871,598	48,135
Governor's Office	3,267,948	2,943,359	324,589
Governor's Office CARES Act 2020	862,528,450	104,628,333	757,900,117
Governor's Office for New Americans	286,285	186,972	99,313
Governor's Office of Energy	1,480,726	1,149,834	330,892
Governor's Office of Indigent Defense	1,255,768	670,111	585,657
Governor's Office of Workforce Innovation	4,285,630	1,483,825	2,801,805
Governor's Public Defender	3,358,957	2,845,489	513,468
Governor's Renewable Energy Account	17,851,853	2,975,674	14,876,179
Governor's Renewable Energy Program	1,768,928	2,306	1,766,622
Governor's Science Innovation and Technology	4,813,689	3,474,794	1,338,895
Governor's Sentencing Commission	404,492	183,876	220,616
Governor's Washington Office	259,434	169,858	89,576
Governor's WICHE Administration	400,983	384,346	16,637
Governor's WICHE Loan and Stipend	1,350,523	1,320,454	30,069
Lieutenant Governor	713,060	709,732	3,328
Secretary of State	18,230,194	17,551,971	678,223
Secretary of State Advisory Committee Gift	66	-	66
Secretary of State HAVA Elections Account	14,360,530	4,926,729	9,433,801
Secretary of State Notary Training	478,082	109,322	368,760
Secretary of State Securities Forfeiture Account	108,933	1,014	107,919
State Treasurer	3,028,354	2,961,800	66,554
State Treasurer's College Savings Endowment	14,416,069	3,909,168	10,506,901
State Treasurer's College Savings Private Entity	83,419	-	83,419
State Treasurer's Nevada College Savings Trust	3,678,158	3,173,404	504,754
State Treasurer's Nevada Promise Scholarship	6,242,389	2,387,931	3,854,458
State Treasurer's Silicosis and Disabled Pensions	28,377	21,753	6,624
State Treasurer's Unclaimed Property	2,697,611	2,343,221	354,390
	<u>1,140,763,887</u>	<u>282,064,789</u>	<u>858,699,098</u>
Legislative and judicial			
Judicial Branch			
Administrative Office of the Courts	5,970,861	4,131,680	1,839,181
Court of Appeals	3,140,750	3,008,912	131,838
Judicial Discipline	1,047,714	972,677	75,037
Judicial Education	1,508,673	638,363	870,310
Judicial Programs and Services Division	2,055,746	1,731,974	323,772
Judicial Retirement System State Share	1,337,285	1,337,285	-
Judicial Support, Governance and Special Events	807,018	291,602	515,416
Law Library	1,896,769	1,818,334	78,435
Law Library Gift Fund	21,477	-	21,477
Senior Justice and Senior Judge Program	1,544,884	1,070,784	474,100
Specialty Courts	10,778,969	8,462,699	2,316,270
State Judicial Elected Officials	22,745,089	22,651,520	93,569

(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Supreme Court	13,092,397	11,813,743	1,278,654
Uniform System of Judicial Records	2,573,399	1,163,729	1,409,670
Legislative Branch			
Disaster Relief	13,933,900	6,478,744	7,455,156
Foreclosure Mediation	975,169	235,641	739,528
Interim Finance Committee	93,868,186	29,319,850	64,548,336
Legislative Counsel Bureau Disbursement	3,880,977	3,880,975	2
So Nevada Community Project Fund	6,757	-	6,757
	<u>181,186,020</u>	<u>99,008,512</u>	<u>82,177,508</u>

Finance and administration

Department of Administration

Building Official Admin	3,140,209	1,218,368	1,921,841
Commission for Women	19,875	6,787	13,088
Construction Education Account	565,495	351,485	214,010
Director's Office	1,013,322	787,654	225,668
Emergency Fund	279,841	164,869	114,972
General Fund Salary Adjustment	30,401,904	12,766,476	17,635,428
Graffiti Reward Fund	22,195	-	22,195
Grant Match Program	1,000,000	-	1,000,000
Grants Office	904,378	875,853	28,525
Hearings and Appeals	5,597,253	5,336,343	260,910
Judicial College/Juvenile and Family Justice	467,500	467,500	-
Nevada State Library	5,082,556	4,625,214	457,342
Nevada State Library Cooperative	494,447	296,717	197,730
NSLA - IPS Equipment/Software	24,032	15,053	8,979
Public Works Division	392,101	364,167	27,934
Public Works Division Administration	1,221,073	903,799	317,274
Public Works Inspection	7,860,614	5,886,068	1,974,546
Public Works Retention Payment	10,617	-	10,617
Roof Maintenance Reserve	604,101	3,500	600,601
State Archives	1,717,834	1,645,551	72,283
State Claims	2,298,629	1,759,823	538,806
State Unemployment Compensation	2,543,173	956,443	1,586,730
Statutory Contingency	4,763,795	322,957	4,440,838
Unbudgeted Activity	-	519,881	(519,881)
Department of Taxation			
Department of Taxation	97,213,209	89,233,502	7,979,707
	<u>167,638,153</u>	<u>128,508,010</u>	<u>39,130,143</u>

Education - K to 12

Department of Education

Account for Alternative Schools	8,453,369	2,649,522	5,803,847
Anti-Bullying Gift Fund	44,143	30,555	13,588
Anti Bullying Grants	45,000	45,000	-
Assessments and Accountability	19,251,668	18,020,517	1,231,151
Career and Technical Education	15,948,568	11,363,552	4,585,016
CARES Act ESSER Funds	117,185,045	2,065,558	115,119,487
Computer Education and Technology	101,926	-	101,926
Contingency Account for Special Education	2,000,000	428,800	1,571,200
Continuing Education	9,060,784	7,511,795	1,548,989
Data Systems Management	3,103,432	2,839,706	263,726
Department Support Services	5,258,000	3,622,268	1,635,732
Distributive School Account	1,807,113,740	1,807,086,245	27,495
District Support Services	2,143,276	1,657,364	485,912
Educational Trust Fund	842,008	8,095	833,913
Educator Effectiveness	20,601,950	10,070,427	10,531,523
Educator Licensure	4,797,938	2,260,283	2,537,655
Gear Up	4,853,970	1,752,709	3,101,261
Gear Up Scholarship Trust	7,156,074	171,765	6,984,309
Incentives for Licensed Educational Personnel	454,318	454,317	1
Individuals with Disabilities (IDEA)	103,972,803	74,818,072	29,154,731
Instruction in Financial Liter	750,000	482,153	267,847
Literacy Programs	669,605	535,393	134,212
New NV Education Funding Plan	69,993,538	62,676,738	7,316,800

Schedule of Total Uses - Budget and Actual , Non-GAAP Budgetary Basis

All General Fund Budgets

For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance
Office of Early Learning & Development	30,513,024	27,931,723	2,581,301
Office of the Superintendent	3,708,967	3,044,336	664,631
Other State Education Programs	91,884,755	85,904,259	5,980,496
Parent Involve & Family Engage	149,719	141,222	8,497
Professional Development Program	8,296,203	6,811,180	1,485,023
Public Charter School Loan Program	724,538	45,500	679,038
Safe and Respect Learning	6,058,343	2,956,864	3,101,479
School Remediation	144,296,647	131,583,906	12,712,741
School Safety	37,099,216	22,849,811	14,249,405
Standards and Instructional Support	1,517,104	1,325,297	191,807
State Supplemental School Support	187,177,000	138,837,797	48,339,203
Student and School Support	223,489,562	153,083,359	70,406,203
Student Indemnification Account	382,254	6,742	375,512
Teach NV Scholarship Program	9,555,712	1,495,629	8,060,083
Teacher's School Supplies Reimbursement	4,959,303	4,321,824	637,479
Commission on Postsecondary Education	899,365	857,192	42,173
State Public Charter School Authority	38,121,809	23,599,694	14,522,115
	2,992,634,676	2,615,347,169	377,287,507
Education - higher education			
Nevada System of Higher Education			
Agricultural Experiment Station	7,318,599	7,318,599	-
Anatomical Gift Account	379,463	40,000	339,463
Business Center North	2,149,699	2,147,055	2,644
Business Center South	1,982,934	1,951,542	31,392
Capacity Building Enhancement	10,261,192	10,260,733	459
College of Southern Nevada	154,013,813	152,370,076	1,643,737
Collegiate License Plate Account	463,207	312,211	150,996
Cooperative Extension Service	5,794,158	5,794,158	-
Desert Research Institute	7,948,288	7,910,926	37,362
Education for Dependent Children	42,926	13,097	29,829
Great Basin College	18,776,703	18,774,735	1,968
Intercollegiate Athletics - UNLV	8,023,853	7,896,825	127,028
Intercollegiate Athletics - UNR	5,654,729	5,475,113	179,616
Laboratory and Research	1,823,205	1,780,159	43,046
Nevada State College at Henderson	32,815,412	32,139,323	676,089
Prison Education Program	461,150	461,150	-
Silver State Opportunity Grant	5,000,000	4,990,150	9,850
Special Projects	5,165,342	1,238,825	3,926,517
System Computing Center	18,787,434	18,779,629	7,805
Truckee Meadows Community College	51,080,920	49,993,539	1,087,381
University of Nevada, Las Vegas	325,680,677	322,610,766	3,069,911
University of Nevada, Reno	249,081,433	247,447,756	1,633,677
University Press	454,091	454,091	-
University System Administration	5,169,478	4,943,062	226,416
UNLV Dental School	18,723,215	18,723,215	-
UNR Engineering Building Debt	3,288,350	10,470	3,277,880
UNLV Law School	16,550,719	16,550,718	1
UNLV School of Medicine	39,584,833	38,943,022	641,811
UNLV Statewide Programs	3,875,864	3,814,504	61,360
UNR School of Medicine	44,573,520	44,492,914	80,606
UNR Statewide Programs	8,749,206	8,749,206	-
Western Nevada College	19,933,818	19,079,132	854,686
	1,073,608,231	1,055,466,701	18,141,530
Human services			
Director's Office			
Administration	2,073,788	1,911,346	162,442
Consumer Health Assistance	1,742,086	1,564,770	177,316
Developmental Disabilities	738,147	656,654	81,493
Family Planning	3,000,000	2,590,617	409,383
Grants Management Unit	30,635,636	25,004,683	5,630,953
Grief Support Trust Account	154,778	114,346	40,432
IDEA Part C Compliance	4,330,695	4,003,201	327,494
Pharmacy Report Failure Penalties	8,618,652	-	8,618,652
UPL Holding Account	13,720,782	10,766,264	2,954,518
Victims of Human Trafficking	193,665	20,698	172,967

(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Aging and Disability Services Division			
Aging Federal Programs and Administration	10,105,535	9,196,277	909,258
Applied Behavior Analysis	322,750	26,534	296,216
Autism Treatment Program	16,418,624	11,903,613	4,515,011
Commission for Persons who are Deaf	25,000	14,435	10,565
Communication Access Services	4,427,846	2,823,299	1,604,547
Desert Regional Center	165,819,812	158,129,430	7,690,382
Early Intervention Services	39,598,431	38,251,692	1,346,739
Family Preservation Program	3,011,905	2,942,258	69,647
Home and Community Based Service	62,191,641	47,028,513	15,163,128
Rural Regional Center	22,180,820	20,583,539	1,597,281
Sierra Regional Center	54,219,861	51,419,834	2,800,027
Division of Health Care Financing and Policy			
Health Care Financing and Policy	175,881,016	146,758,232	29,122,784
Increased Quality of Nursing Care	42,812,511	39,776,792	3,035,719
Intergovernmental Transfer Program	177,806,694	147,479,780	30,326,914
Nevada Check-Up Program	59,809,988	52,068,290	7,741,698
Nevada Medicaid	4,183,314,513	4,030,496,073	152,818,440
Division of Public and Behavioral Health			
Alcohol Tax Program	1,351,574	823,487	528,087
Behavioral Health Administration	4,315,415	3,971,951	343,464
Behavioral Health Prevention & Treatment	62,722,573	40,478,260	22,244,313
Biostatistics and Epidemiology	197,728,930	12,008,297	185,720,633
Cancer Control Registry	907,840	758,739	149,101
Child Care Services	2,258,723	1,612,498	646,225
Chronic Disease	17,430,694	14,481,975	2,948,719
Communicable Diseases	37,481,744	35,339,550	2,142,194
Community Health Services	4,003,200	3,263,722	739,478
Environmental Health Services	2,773,372	1,820,739	952,633
Emergency Medical Services	1,204,986	1,026,181	178,805
Facility for the Mental Offender	13,072,493	12,810,035	262,458
Health Care Facility Reg	23,237,051	13,466,993	9,770,058
Health Facilities-Admin Penalty	200,004	139	199,865
Health Statistics and Planning	4,165,240	1,738,677	2,426,563
Immunization Program	7,211,654	6,810,636	401,018
Marijuana Health Registry	3,039,181	697,298	2,341,883
Maternal Child Health Services	9,496,423	7,756,824	1,739,599
No NV Adult Mental Health Services	31,242,665	28,205,021	3,037,644
Office of State Health Administration	11,386,678	9,888,435	1,498,243
Prevention/Treatment of Problem Gambling	2,310,862	1,873,115	437,747
Public Health Preparedness Program	19,578,661	9,440,024	10,138,637
Radiation Control Program	5,702,617	2,725,912	2,976,705
Rural Clinics	16,202,820	15,647,135	555,685
So NV Adult Mental Health Services	94,321,307	92,680,387	1,640,920
WIC Food Supplement	71,426,845	58,286,360	13,140,485
Division of Welfare and Supportive Services			
Assistance to Aged and Blind	10,763,355	10,641,000	122,355
Child Care Assistance and Development	121,020,673	92,056,708	28,963,965
Child Support Enforcement Program	66,754,404	34,192,500	32,561,904
Child Support Federal Reimbursement	30,643,213	25,063,852	5,579,361
Energy Assistance - Welfare	37,416,470	26,974,099	10,442,371
Temp Assistance for Needy Families	49,567,593	40,838,550	8,729,043
Welfare Administration	46,529,366	41,350,889	5,178,477
Welfare Field Services	152,966,586	132,675,849	20,290,737
Division of Child and Family Services			
Caliente Youth Center	9,896,091	9,170,241	725,850
Children, Youth and Family Administration	54,720,835	35,827,186	18,893,649
Childrens Trust Fund	1,457,841	590,930	866,911
Clark County Child Welfare	113,254,616	109,644,886	3,609,730
Community Juvenile Justice Programs	3,603,567	3,113,886	489,681
Farm Account - Youth Training Center	7,150	-	7,150
Summit View Youth Center	7,248,976	6,578,818	670,158
Nevada Youth Training Center	8,829,026	8,228,819	600,207
No NV Child and Adolescent Services	11,156,871	8,551,518	2,605,353
Normalcy for Youth Gift	1,000	-	1,000
Review of Death of Children	574,004	133,726	440,278
Rural Child Welfare	23,660,340	22,429,301	1,231,039

Schedule of Total Uses - Budget and Actual , Non-GAAP Budgetary Basis

All General Fund Budgets

For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance
So NV Child and Adolescent Services	34,044,041	28,172,214	5,871,827
Transition from Foster Care	1,415,171	980,054	435,117
UNITY/SACWIS	8,135,754	7,670,525	465,229
Victims of Domestic Violence	3,265,378	2,761,766	503,612
Washoe County Integration	37,678,190	37,317,421	360,769
Youth Alternative Placement	4,370,793	4,370,793	-
Youth Parole Services	6,554,994	6,281,371	273,623
Department of Employment, Training and Rehabilitat			
Blind Business Enterprise Program	4,795,354	1,569,103	3,226,251
DETR Administrative Services	6,036,629	5,097,323	939,306
Disability Adjudication	21,746,127	15,384,220	6,361,907
Information Development and Processing	15,435,334	11,981,168	3,454,166
Nevada Equal Rights Commission	2,598,147	2,482,179	115,968
Rehabilitation Administration	1,395,640	1,219,642	175,998
Research and Analysis	2,685,988	2,383,992	301,996
Services to the Blind	3,037,108	2,679,776	357,332
Vocational Rehabilitation	22,558,360	20,582,831	1,975,529
	6,653,753,713	5,942,140,696	711,613,017
Commerce and industry			
Office of Economic Development			
GOED Nevada Knowledge Fund	6,265,917	2,857,037	3,408,880
Governor's Office of Economic Development	8,636,792	7,864,063	772,729
Motion Pictures	853,467	665,116	188,351
Nevada Catalyst Fund	1,268,944	423,083	845,861
Nevada Main Street Program	350,000	41,483	308,517
NV SSBICI Program	7,814,546	2,280,015	5,534,531
Rural Community Development	5,458,935	3,288,217	2,170,718
Small Business and Procurement	732,316	627,357	104,959
Small Business Enterprise Loan	558,110	-	558,110
Unmanned System Safety Program	1,000,000	1,000,000	-
WINN	4,000,000	541,258	3,458,742
Commission on Mineral Resources			
Bond Reclamation	4,502,532	488,681	4,013,851
Minerals	4,354,953	2,483,242	1,871,711
Department of Agriculture			
Agriculture Administration	3,321,337	3,029,318	292,019
Agriculture License Plates	47,685	9,675	38,010
Agricultural Registration/Enforcement	7,091,214	3,570,149	3,521,065
Agriculture Research and Promotion	125,429	3,251	122,178
Commercial Feed Account	126,999	12,279	114,720
Commodity Food Program	28,335,754	21,024,608	7,311,146
Consumer Equitibility	4,310,978	2,970,526	1,340,452
Junior Agricultural Loan Program	3,845	-	3,845
Livestock Enforcement	648,469	565,545	82,924
Livestock Inspection	1,784,716	1,127,530	657,186
Nevada Beef Council	286,217	234,592	51,625
Nutrition Education Programs	218,027,276	157,101,300	60,925,976
Pest, Plant Disease and Noxious Weed	1,754,007	1,072,176	681,831
Plant Health and Quarantine Services	602,938	595,180	7,758
Predatory Animal and Rodent Control	926,817	860,929	65,888
Rangeland Resources Commission	269,088	124,974	144,114
Veterinary Medical Services	1,551,396	1,473,354	78,042
Weed Abatement and Control	108,933	-	108,933
Department of Tourism and Cultural Affairs			
Indian Commission	418,230	404,976	13,254
Lost City Museum	576,694	529,714	46,980
Museums and History Administration	1,198,446	798,448	399,998
Nevada Arts Council	3,233,923	2,640,665	593,258
Nevada Historical Society	659,769	521,251	138,518
Nevada Humanities	125,000	125,000	-
Nevada State Museum	2,016,000	1,734,815	281,185
Nevada State Museum, Las Vegas	1,816,078	1,621,055	195,023
State Railroad Museums	1,799,042	1,555,136	243,906
Stewart Indian School Living Legacy	316,503	290,786	25,717
Gaming Control Board			
Federal Forfeiture Treasury	6,208,681	1,769,365	4,439,316

(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Gaming Commission	802,642	786,572	16,070
Gaming Control Board	55,771,805	48,501,384	7,270,421
Gaming Control Federal Forfeiture	5,949,461	115,657	5,833,804
Gaming Control - Forfeiture Account	577,187	-	577,187
Gaming Control - Other State Forfeiture	500,440	-	500,440
Department of Business and Industry			
Attorney for Injured Workers	4,320,058	3,789,754	530,304
Business and Industry Administration	5,813,568	5,130,423	683,145
Common Interest Communities	4,987,160	2,101,609	2,885,551
Division of Mortgage Lending	14,759,966	2,822,981	11,936,985
DOE Weatherization	8,962,194	4,542,249	4,419,945
Employee Management Relations	1,473,577	605,137	868,440
Financial Institutions	7,245,633	3,725,740	3,519,893
Financial Institutions Audit	281,850	125,869	155,981
Financial Institutions Investigations	1,675,273	65,069	1,610,204
Housing Inspection and Comp	5,100,651	2,671,164	2,429,487
Industrial Development Bonds	1,622,205	67,565	1,554,640
Labor Relations	2,018,651	1,951,806	66,845
Low Income Housing Trust Fund	33,792,695	9,091,346	24,701,349
New Market Performance Guarantee	4,590,000	1,512	4,588,488
Nevada Transportation Authority	6,901,567	4,754,816	2,146,751
NVTA Administrative Fines	1,181,874	90,286	1,091,588
Office of Business and Planning	344,124	338,150	5,974
Real Estate	4,228,482	3,895,553	332,929
Special Housing Assistance	2,604,458	937	2,603,521
	<u>508,993,497</u>	<u>323,501,728</u>	<u>185,491,769</u>
Public safety			
Department of Corrections			
AB505 79th One-shot	5,241,735	3,912,765	1,328,970
Carlin Conservation Camp	1,412,582	1,361,456	51,126
Casa Grande Transitional Housing	5,018,123	4,895,873	122,250
Correctional Programs	9,797,547	8,639,518	1,158,029
Director's Office	37,529,693	36,159,244	1,370,449
Ely Conservation Camp	1,510,812	1,472,250	38,562
Ely State Prison	32,239,122	32,014,646	224,476
Endowment Fund Historical Preservation of NSP	62,940	-	62,940
Florence McClure Women's Correctional Center	20,085,005	19,604,372	480,633
High Desert State Prison	61,706,107	60,418,550	1,287,557
Humboldt Conservation Camp	1,511,223	1,472,593	38,630
Jean Conservation Camp	1,840,156	1,813,490	26,666
Lovelock Correctional Center	27,171,832	27,057,506	114,326
Nevada State Prison	75,525	68,402	7,123
No Nevada Correctional Center	31,117,865	30,754,157	363,708
No. Nevada Transitional Housing	1,437,483	1,407,567	29,916
Pioche Conservation Camp	2,067,422	1,976,237	91,185
Prison Medical Care	56,037,984	55,382,586	655,398
Silver Springs Conservation Camp	4,511	4,511	-
Stewart Conservation Camp	2,324,656	2,201,122	123,534
So Nevada Correctional Center	226,265	216,453	9,812
Southern Desert Correctional Center	29,406,662	28,596,624	810,038
Three Lakes Valley Conservation Camp	3,299,440	3,154,383	145,057
Tonopah Conservation Camp	1,552,314	1,442,470	109,844
Warm Springs Correctional Center	12,725,851	12,583,830	142,021
Wells Conservation Camp	1,439,641	1,332,959	106,682
Department of Public Safety			
Child Volunteer Background Checks Trust	15,087	15,086	1
Cigarette Fire Safety Standard	158,144	14,961	143,183
Contingency Account for Haz Mat	1,221,174	444,791	776,383
Criminal History Repository	35,564,159	19,059,534	16,504,625
Dignitary Protection	1,369,440	1,241,524	127,916
Disaster Response and Recovery Account	41,256,617	11,856,132	29,400,485
Emergency Assistance Subaccount	480,898	411,497	69,401
Emergency Management Assistance Grant	20,057,428	12,093,956	7,963,472
Emergency Management Division	7,295,263	4,838,564	2,456,699
Federal Forfeiture	1,776,637	150,000	1,626,637

Schedule of Total Uses - Budget and Actual , Non-GAAP Budgetary Basis

All General Fund Budgets

For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance
Fire Marshal	4,287,491	3,424,127	863,364
Forfeitures	588,271	156,556	431,715
Fund for Reentry Programs	5,000	-	5,000
Highway Safety Plan and Administration	4,979,355	3,558,857	1,420,498
Investigations	9,315,477	8,212,357	1,103,120
Justice Assistance Account	5,771,191	2,166,965	3,604,226
Justice Assistance Grant	11,362,588	2,344,305	9,018,283
Justice Grant	509,489	466,427	43,062
K-9 Program	17,858	15,776	2,082
Motorcycle Safety Program	1,035,453	343,380	692,073
Office of Cyber Defense	529,641	497,897	31,744
Office of Homeland Security	491,007	477,954	13,053
Parole and Probation	77,756,569	70,965,192	6,791,377
Parole Board	3,618,385	3,578,481	39,904
RCCD Communications Bureau	7,732,345	7,142,193	590,152
Traffic Safety	13,760,424	5,995,761	7,764,663
Training Division	2,278,727	2,157,838	120,889
Department of Motor Vehicles			
Motor Vehicle Pollution Control	13,814,295	11,647,437	2,166,858
Peace Officers Standards and Training	2,916,325	2,172,755	743,570
	616,807,234	513,393,867	103,413,367
Infrastructure			
Department of Wildlife			
Conservation Education	3,859,392	3,076,836	782,556
Diversity	2,019,740	1,626,321	393,419
Fisheries Management	10,874,604	9,100,356	1,774,248
Game Management	8,727,436	7,646,865	1,080,571
Habitat	12,792,939	10,636,823	2,156,116
Law Enforcement	8,341,895	6,656,735	1,685,160
Wildlife Director's Office	8,356,518	7,198,705	1,157,813
Wildlife Fund	42,889,717	23,144,909	19,744,808
Wildlife Habitat Enhancements	4,011,223	179,544	3,831,679
Wildlife Heritage Account	11,603,117	801,028	10,802,089
Wildlife Operations	8,943,748	8,222,628	721,120
Department of Conservation and Natural Resources			
AB9/Q1 Bonds	4,118,082	1,720,663	2,397,419
Adjudication Emergency	16,000	-	16,000
Air Quality	9,352,737	7,666,537	1,686,200
Air Quality Management Account	7,388,191	3,014,920	4,373,271
Basin Account Region 1	385,171	49,524	335,647
Basin Account Region 2	1,374,017	365,062	1,008,955
Basin Account Region 3	1,811,843	500,372	1,311,471
Basin Account Region 4	436,586	103,417	333,169
Bureau of Water	8,049,705	3,561,692	4,488,013
Channel Clearance	253,527	30,703	222,824
Chemical Hazard Prevention	2,061,946	758,287	1,303,659
Comstock Historic District	214,685	209,847	4,838
Comstock Historical District Gifts	23,179	300	22,879
Conservation Districts	638,222	604,405	33,817
Cultural Resource Program	966,847	712,872	253,975
Dep Industrial Site Cleanup	4,845,144	2,180,063	2,665,081
Environmental Protection Administration	8,453,468	7,266,892	1,186,576
Environmental Quality Improvement	89,313	-	89,313
Flood Control Revenue Fund	250,000	-	250,000
Forest Fire Suppression/Emergency Response	22,383,821	20,818,499	1,565,322
Forestry	29,451,395	15,131,671	14,319,724
Forestry Conservation Camps	12,927,779	9,463,962	3,463,817
Groundwater Recharge Projects	174,962	39,580	135,382
Hazardous Waste - Beatty Site	14,054,859	-	14,054,859
Hazardous Waste Management	25,588,735	5,185,913	20,402,822
Historic Preservation and Archives	1,562,390	1,341,085	221,305
HP 2017/SB546 2018A Bond	978,523	695,787	282,736
Interim Fluid Management Trust	1,393,550	-	1,393,550
Las Vegas Basin Water District	5,756,999	2,104,724	3,652,275
Maintenance of State Parks	7,237,364	1,436,270	5,801,094
Materials Management and Corrective Actions	18,487,266	10,223,889	8,263,377

(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Mining Regulation/Reclamation	6,365,315	3,013,061	3,352,254
Natural Resources Administration	1,955,848	1,929,014	26,834
Nevada Natural Heritage	1,474,439	1,134,150	340,289
Nevada Tahoe Regional Planning Agency	1,831	416	1,415
NV State Parks/Cultural Resources Endowment	510,000	-	510,000
Off-highway Vehicle Commission	4,312,826	846,882	3,465,944
Outdoor Education and Grant Recreation Program	10,100	-	10,100
Outdoor Recreation	213,564	142,425	71,139
Parks Federal Grant Programs	4,703,654	2,533,492	2,170,162
Public Water System Fund	2,303,226	566,096	1,737,130
Q1 2017/SB546 2017C Bond	3,287,640	1,156,840	2,130,800
Reclamation Surety Account	56,228,669	301,897	55,926,772
Safe Drinking Water Regulatory Program	5,657,707	4,448,637	1,209,070
Sagebrush Ecosystem Account	1,495,062	302,487	1,192,575
State Engineer Revenue	234,190	101,693	132,497
State Environmental Commission	149,684	55,704	93,980
State Lands	2,069,219	1,892,611	176,608
State Lands Revolving Account	230,931	9,537	221,394
State Parks	25,182,744	20,345,212	4,837,532
State Parks Facility and Grounds Maintenance	14,028,078	1,160,292	12,867,786
State Parks Interpretive and Educational Program	2,021,198	979,855	1,041,343
Storage Tank Management	304,984	-	304,984
Tahoe Bond Sale	685,447	31,042	654,405
Tahoe License Plates	2,499,327	604,805	1,894,522
Tahoe Mitigation	3,912,714	73,176	3,839,538
Tahoe Regional Planning Agency	14,331,146	2,339,236	11,991,910
USGS Co-Op	755,451	455,171	300,280
Water District Revenue Fund	30,000	-	30,000
Water Planning - Capital Improvement	16,846	2,662	14,184
Water Quality Planning	4,566,392	3,338,151	1,228,241
Water Resources	9,788,401	9,306,345	482,056
Water Resources Cooperative Project	2,392,046	1,049,003	1,343,043
Water Resources Legal Cost	192,094	-	192,094
Water Right Surveyors	48,198	639	47,559
Water Studies	277,000	-	277,000
Well Driller's Licenses	88,455	8,850	79,605
Wildland Fire Protection Program	3,328,378	1,577,486	1,750,892
	<u>488,799,439</u>	<u>233,184,553</u>	<u>255,614,886</u>
Special purpose agencies			
Department of Veterans' Services			
Cemetery Gifts and Donations	89,454	87,540	1,914
Department of Veterans' Services	4,870,954	4,443,274	427,680
Fallen Soldier Gift Fund	170,330	-	170,330
General Veterans' Services - Fees	2,040,537	923,737	1,116,800
Gift Account for Veterans' Home - So Nevada	57,102	26,184	30,918
Northern Nevada Veterans	19,720,994	15,188,348	4,532,646
Veterans' Home Account	30,402,570	21,468,683	8,933,887
Veterans' Home Gift Fund	157,345	83,891	73,454
Veterans' Memorial Gift Account	5,230	-	5,230
Office of the Military			
Adjutant General Special Facilities Account	57,873	-	57,873
Military	26,322,684	20,623,554	5,699,130
Military Emergency Operations Center	611,754	323,797	287,957
Military State Active Duty	705,297	705,297	-
National Guard Benefits	57,818	56,888	930
Patriot Relief Account	150,973	70,596	80,377
Silver State Health Insurance Exchange Admin	25,364,360	18,066,302	7,298,058
Deferred Compensation Committee	615,148	386,657	228,491
Civil Air Patrol	60,320	33,205	27,115
Commission on Ethics	922,786	864,155	58,631
Public Employees' Benefits Program			
Non-State Retirees' Rate Mitigation	1,035,547	999,147	36,400
	<u>113,419,076</u>	<u>84,351,255</u>	<u>29,067,821</u>

Schedule of Total Uses - Budget and Actual , Non-GAAP Budgetary Basis

All General Fund Budgets

For the Fiscal Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Appropriated Transfers to Other Funds			
Attorney General Special Fund	749,070	749,070	-
Enterprise Funds	100	100	-
Highway Fund	253,374	253,374	-
Legislative Fund	38,254,449	38,254,449	-
	<u>39,256,993</u>	<u>39,256,993</u>	<u>-</u>
Reversions to Other Funds			
Reversion to Enterprise Funds	-	1,205,400	(1,205,400)
Reversion to Internal Service Funds	-	149,571	(149,571)
Reversion to Special Revenue Funds	-	1,269,777	(1,269,777)
	<u>-</u>	<u>2,624,748</u>	<u>(2,624,748)</u>
Projected reversions			
	(50,000,000)	-	(50,000,000)
Total General Fund	<u>\$ 13,926,860,919</u>	<u>\$ 11,318,849,021</u>	<u>\$ 2,608,011,898</u>

[Page Intentionally Left Blank]

Schedule of Total Uses - Budget and Actual , Non-GAAP Budgetary Basis

All Special Revenue Fund Budgets

For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance
State Highway			
Infrastructure			
AB 595 Revenue Clark Co.	\$ 45,723,526	\$ 15,431,767	\$ 30,291,759
AB 595 Revenue Rental Car Tax	3,200	5	3,195
AB 595 Revenue Washoe Co.	4,821,546	2,051,097	2,770,449
Aviation Trust Fund	128,046	57,018	71,028
Bond Construction	161,600,700	683	161,600,017
NDOT - SB 5 RTC Public Road Project	27,748,432	2,463,246	25,285,186
NDOT Fuel Revenue Indexing Clark	29,508,960	1,336,560	28,172,400
System of Providing Information to the Traveling Public	689,193	166,419	522,774
Transportation Administration	912,951,120	751,517,753	161,433,367
Unbudgeted Activity	-	491,569	(491,569)
Public Safety			
Director's Office - Public Safety	3,703,558	3,318,040	385,518
Emergency Response Commission	3,654,605	1,192,749	2,461,856
Evidence Vault	782,600	765,759	16,841
Highway Patrol	80,693,293	74,861,597	5,831,696
One Shot Account	15,131,167	9,156,708	5,974,459
Professional Responsibility	810,784	755,776	55,008
PS Highway Safety Grants Account	4,010,245	2,786,269	1,223,976
Motor vehicles			
Admin Off Highway Vehicle Titling and Registration	1,488,339	1,328,618	159,721
Administrative Services	16,242,137	13,516,050	2,726,087
Assistance of Off Highway Vehicle Titling	26,825	-	26,825
Central Services	12,644,764	10,958,283	1,686,481
Compliance Enforcement	6,175,942	5,095,650	1,080,292
Director's Office	5,523,844	5,029,624	494,220
Field Services	63,389,476	53,465,419	9,924,057
Forfeitures	211	-	211
Hearings	1,474,277	1,222,355	251,922
License Plate Factory	5,571,535	3,184,268	2,387,267
Local Fuel Tax Indexing Fund	127,821	2,926	124,895
Management Services	1,755,233	1,478,232	277,001
Motor Carrier	6,335,182	4,309,920	2,025,262
Motor Vehicle Information Technology	13,838,805	12,010,259	1,828,546
Records Search	9,291,030	8,767,281	523,749
Salvage Titles Trust Account	491,065	148,323	342,742
Special Fuel Ind Reimb Clark	6,000,670	5,112,322	888,348
Special Plates Trust Account	3,894,547	535,951	3,358,596
STAR	11,951,475	1,209,537	10,741,938
Verification of Insurance	2,976,748	2,188,256	788,492
Transfers to Other Funds			
Appropriations to Other Funds	11,008,706	11,008,706	-
Debt Service	74,605,842	74,605,842	-
Reversions to Other Funds	-	19,402	(19,402)
Projected Reversions	(150,341,356)	-	(150,341,356)
	<u>1,396,434,093</u>	<u>1,081,550,239</u>	<u>314,883,854</u>
Municipal Bond Bank			
Transfers to Other Funds			
Debt Service	7,668,454	7,661,787	6,667
	<u>7,668,454</u>	<u>7,661,787</u>	<u>6,667</u>
Employment Security			
Human Services			
Employment Security Division Administration	1,345,255	1,122,608	222,647
Employment Security Special Fund	14,828,208	1,100,765	13,727,443
Unemployment Insurance	47,137,323	34,915,732	12,221,591
Workforce Development	73,879,819	55,343,255	18,536,564
	<u>137,190,605</u>	<u>92,482,360</u>	<u>44,708,245</u>

(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Regulatory			
Commerce and Industry			
Real Estate Education and Research	1,050,186	553,314	496,872
Real Estate Recovery Account	890,487	587,107	303,380
Regulatory Fund	18,038,919	13,124,733	4,914,186
Administrative Fines	344,000	337,468	6,532
Taxicab Authority	10,604,164	4,947,758	5,656,406
Dairy Commission	1,920,381	1,093,450	826,931
	<u>32,848,137</u>	<u>20,643,830</u>	<u>12,204,307</u>
Higher Education Capital Construction			
Finance and Administration			
Higher Education Capital Construction	5,000,000	5,000,000	-
Higher Education Special Construction	8,244,070	8,244,070	-
	<u>13,244,070</u>	<u>13,244,070</u>	<u>-</u>
Cleaning Up Petroleum Discharges			
Infrastructure			
Petroleum Clean-Up Trust Fund	22,355,622	12,685,232	9,670,390
	<u>22,355,622</u>	<u>12,685,232</u>	<u>9,670,390</u>
Hospital Care to Indigent Persons			
Finance and Administration			
Indigent Hospital Care	67,142,555	41,216,628	25,925,927
	<u>67,142,555</u>	<u>41,216,628</u>	<u>25,925,927</u>
Tourism Promotion			
Commerce and Industry			
Division of Tourism	31,868,899	20,659,626	11,209,273
Tourism Development	223,379	97,652	125,727
	<u>32,092,278</u>	<u>20,757,278</u>	<u>11,335,000</u>
Offender's Store			
Public Safety			
Inmate Welfare Account	7,265,660	6,213,875	1,051,785
Offenders' Store Fund	40,706,771	18,586,008	22,120,763
	<u>47,972,431</u>	<u>24,799,883</u>	<u>23,172,548</u>
Tobacco Settlement			
Elected Officials			
Guinn Memorial Millennium Scholarship Fund	415,772	9,000	406,772
MSA Compliance Administration	691,601	645,699	45,902
Millennium Scholarship Fund	62,632,148	38,729,697	23,902,451
Millennium Scholarship Administration	412,919	360,941	51,978
Trust Fund for Healthy Nevada	64,080,738	24,800,507	39,280,231
Human Services			
Senior RX and Disability RX	1,530,900	1,187,491	343,409
Tobacco Settlement Program	5,943,499	5,818,974	124,525
	<u>135,707,577</u>	<u>71,552,309</u>	<u>64,155,268</u>
Attorney General Settlement			
Public Safety			
National Settlement Administration	16,948,145	5,000,556	11,947,589
	<u>16,948,145</u>	<u>5,000,556</u>	<u>11,947,589</u>
Gift			
Education			
Education Gift Fund	10,199,206	4,923,268	5,275,938
Library and Archives Gift Fund	471,784	102,932	368,852
Human Services			
Aging Services Gift Account	55,544	-	55,544

Schedule of Total Uses - Budget and Actual , Non-GAAP Budgetary Basis

All Special Revenue Fund Budgets

For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance
Blind Gift Fund	472,933	-	472,933
CBS Washoe Gift Fund	10,854	1,760	9,094
CYC Gift Fund	1,703	-	1,703
Henry Woods Christmas Fund	2,754	1,550	1,204
Hospital Gift Fund	252,954	952	252,002
Indian Commission Gift Account	49,678	11,201	38,477
NV Equal Rights Commission Gift Fund	1,435	220	1,215
Nevada Children's Gift Account	607,585	20,000	587,585
Public Health Gift Fund	10,245	-	10,245
Rehabilitation Gift Fund	16,378	1,584	14,794
Rural Services Gift Account	13,450	-	13,450
SNAMHS Gift Fund	29,918	-	29,918
SRC Gift Fund	11,566	-	11,566
Welfare Gift Fund	9,887	-	9,887
Youth Training Center Gift Fund	32,789	20,000	12,789
Infrastructure			
Park Gift and Grants	261,189	31,057	230,132
Wildlife Trust Account	1,304,479	734,416	570,063
	<u>13,816,331</u>	<u>5,848,940</u>	<u>7,967,391</u>
Natural Resources			
Infrastructure			
Erosion Control Bond Q12	228,611	2,500	226,111
Grants To Water Purveyors	2,567,141	965,367	1,601,774
Protect Lake Tahoe	3,998,187	772,976	3,225,211
Tahoe 2017/SB546 2017B Bond	851,206	652,498	198,708
Tahoe 2017/SB546 2018B Bond	2,602,804	-	2,602,804
Tahoe 2019/AB541 2019B Bond	4,080,000	-	4,080,000
Water Grants 2017/SB546 2017B Bond	935,141	911,994	23,147
Water Grants 2019/AB5412019B Bond	1,632,000	53,373	1,578,627
	<u>16,895,090</u>	<u>3,358,708</u>	<u>13,536,382</u>
Miscellaneous			
Elected Officials			
Consumer Advocate	5,862,726	4,207,670	1,655,056
Racketeering-Prosecution Account	125	-	125
Unfair Trade Practices	750,000	379,947	370,053
Commerce and Industry			
Lost City Museum Trust	204,489	93,848	110,641
LV Museum and Historical Society Trust	143,471	53,526	89,945
Museums Administrator Trust	51,125	41,734	9,391
Museums and History Board Trust	54,026	27,278	26,748
Nevada Historical Society Trust	2,132,556	75,395	2,057,161
Nevada State Museum Trust	941,474	470,386	471,088
Nevada Railroad Museum Trust	1,015,926	224,312	791,614
Human Services			
Low Level Radioactive Waste	1,693,415	13,507	1,679,908
Finance and Administration			
Victims of Crime	13,696,048	7,500,303	6,195,745
	<u>26,545,381</u>	<u>13,087,906</u>	<u>13,457,475</u>
Legislative (Non-GAAP Fund)			
Legislative Branch			
Audit Contingency Account	628,464	576,000	52,464
Legislative Counsel Bureau	51,575,317	39,844,546	11,730,771
Nevada Legislative Interim	1,000,981	897,295	103,686
	<u>53,204,762</u>	<u>41,317,841</u>	<u>11,886,921</u>
Total Special Revenue	<u>\$ 2,020,065,531</u>	<u>\$ 1,455,207,567</u>	<u>\$ 564,857,964</u>

[Page Intentionally Left Blank]

Schedule of Sources - Budget and Actual, Non-GAAP Budgetary Basis

All Nonmajor Special Revenue Fund Budgets

For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance	Final Budget	Actual	Variance
	Municipal Bond Bank			Employment Security		
Fund balances	\$ -	\$ -	\$ -	\$ 21,609,711	\$ 21,609,711	
<i>Revenues:</i>						
Intergovernmental	-	-	-	88,241,607	73,123,161	(15,118,446)
Sales, charges for services	-	-	-	875,386	202,034	(673,352)
Licenses, fees and permits	-	-	-	276,823	378,612	101,789
Interest	3,263,454	3,263,453	(1)	413,634	475,496	61,862
Other	4,405,000	4,405,000	-	22,709,070	22,635,844	(73,226)
<i>Other financing sources:</i>						
Transfers	-	-	-	3,064,374	3,163,927	99,553
Total sources	\$ 7,668,454	\$ 7,668,453	\$ (1)	\$ 137,190,605	\$ 121,588,785	\$ (15,601,820)

	Final Budget	Actual	Variance	Final Budget	Actual	Variance
	Regulatory			Higher Education Capital Construction		
Fund balances	\$ 11,716,378	\$ 11,716,378	\$ -	\$ -	\$ -	-
<i>Revenues:</i>						
Gaming taxes, fees, licenses	-	-	-	11,734,124	11,734,124	-
Other taxes	12,920,191	12,835,933	(84,258)	-	-	-
Intergovernmental	764,991	752,940	(12,051)	-	-	-
Sales, charges for services	2,791,537	2,053,102	(738,435)	-	-	-
Licenses, fees and permits	2,951,343	2,653,180	(298,163)	-	-	-
Interest	63,194	135,497	72,303	-	-	-
Other	538,996	423,955	(115,041)	-	-	-
<i>Other financing sources:</i>						
Transfers	1,101,507	991,043	(110,464)	-	-	-
Total sources	\$ 32,848,137	\$ 31,562,028	\$ (1,286,109)	\$ 11,734,124	\$ 11,734,124	\$ -

	Final Budget	Actual	Variance	Final Budget	Actual	Variance
	Cleaning Up Petroleum Discharges			Hospital Care to Indigent Persons		
Fund balances	\$ 7,500,000	\$ 7,500,000	\$ -	\$ 30,106,803	\$ 30,106,803	-
<i>Revenues:</i>						
Other taxes	14,254,941	14,254,940	(1)	15,144,694	15,144,694	-
Intergovernmental	-	-	-	21,506,007	21,506,007	-
Licenses, fees and permits	410,097	399,200	(10,897)	-	-	-
Interest	190,584	166,146	(24,438)	385,051	385,051	-
<i>Other financing sources:</i>						
Total sources	\$ 22,355,622	\$ 22,320,286	\$ (35,336)	\$ 67,142,555	\$ 67,142,555	\$ -

	Final Budget	Actual	Variance	Final Budget	Actual	Variance
	Tourism Promotion			Offenders' Store		
Fund balances	\$ 6,164,144	\$ 6,164,144	\$ -	\$ 20,430,950	\$ 20,430,950	-
<i>Revenues:</i>						
Other taxes	25,725,380	19,088,134	(6,637,246)	-	-	-
Sales, charges for services	-	-	-	20,422,786	20,438,517	15,731
Licenses, fees and permits	38,058	27,354	(10,704)	-	-	-
Interest	2,421	2,420	(1)	443,271	485,189	41,918
Other	1,816	678	(1,138)	496,556	701,679	205,123
<i>Other financing sources:</i>						
Transfers	160,459	335,609	175,150	6,178,868	4,697,327	(1,481,541)
Total sources	\$ 32,092,278	\$ 25,618,339	\$ (6,473,939)	\$ 47,972,431	\$ 46,753,662	\$ (1,218,769)

(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
	Tobacco Settlement			Attorney General Settlement		
Fund balances	\$ 77,634,490	\$ 77,634,490	\$ -	\$ 16,548,604	\$ 16,548,604	\$ -
<i>Revenues:</i>						
Interest	902,941	1,123,485	220,544	283,087	283,087	-
Other	40,593,311	39,049,660	(1,543,651)	-	-	-
<i>Other financing sources:</i>						
Transfers	16,576,835	16,572,597	(4,238)	116,454	116,454	-
Total sources	\$ 135,707,577	\$ 134,380,232	\$ (1,327,345)	\$ 16,948,145	\$ 16,948,145	\$ -
	Gift			Natural Resources		
Fund balances	\$ 5,224,336	\$ 5,224,336	\$ -	\$ 4,671,404	\$ 4,671,404	\$ -
<i>Revenues:</i>						
Licenses, fees and permits	-	-	-	150,000	111,073	(38,927)
Interest	80,552	70,780	(9,772)	259,545	123,583	(135,962)
Other	8,510,243	8,215,031	(295,212)	2,000	-	(2,000)
<i>Other financing sources:</i>						
Proceeds from sale of bonds	-	-	-	5,600,000	5,378,203	(221,797)
Transfers	1,200	988	(212)	6,212,141	1,617,865	(4,594,276)
Total sources	\$ 13,816,331	\$ 13,511,135	\$ (305,196)	\$ 16,895,090	\$ 11,902,128	\$ (4,992,962)
	Miscellaneous			Legislative (Non-GAAP Fund)		
Fund balances	\$ 13,093,787	\$ 13,093,787	\$ -	\$ 13,217,370	\$ 13,217,370	\$ -
<i>Revenues:</i>						
Other taxes	3,068,189	3,024,348	(43,841)	-	-	-
Intergovernmental	1,068,000	-	(1,068,000)	-	-	-
Sales, charges for services	978,562	792,640	(185,922)	350,600	364,900	14,300
Licenses, fees and permits	2,242,156	1,935,086	(307,070)	1,910	1,910	-
Interest	235,910	176,248	(59,662)	-	-	-
Other	2,590,698	2,387,799	(202,899)	245,826	246,487	661
<i>Other financing sources:</i>						
Transfers	3,268,079	2,890,207	(377,872)	39,389,056	39,368,131	(20,925)
Total sources	\$ 26,545,381	\$ 24,300,115	\$ (2,245,266)	\$ 53,204,762	\$ 53,198,798	\$ (5,964)
	Total Nonmajor Special Revenue Funds					
Fund balances	\$ 227,917,977	\$ 227,917,977	\$ -			
Gaming taxes, fees, licenses	11,734,124	11,734,124	-			
Other taxes	71,113,395	64,348,049	(6,765,346)			
Sales, charges for services	25,418,871	23,851,193	(1,567,678)			
Intergovernmental	111,580,605	95,382,108	(16,198,497)			
Licenses, fees and permits	6,070,387	5,506,415	(563,972)			
Interest	6,523,644	6,690,435	166,791			
Other	80,093,516	78,066,133	(2,027,383)			
Proceeds from sale of bonds	5,600,000	5,378,203	(221,797)			
Transfers	76,068,973	69,754,148	(6,314,825)			
Total sources	\$ 622,121,492	\$ 588,628,785	\$ (33,492,707)			

[Page Intentionally Left Blank]

Nonmajor Enterprise Funds

Workers' Compensation and Safety Records assessments on insurers for compensation of injured workers and administration of regulations for employee safety (NRS 616A.425), assesses self-insurers to pay claims against insolvent self-insured employers (NRS 616B.309), accounts for compensation benefits to physically impaired employees from a subsequent injury in the course of employment (NRS 616B.554, 616B.575, 616B.584), and accounts for injury claims of employees of uninsured employers (NRS 616A.430).

Insurance Administration and Enforcement Accounts for activities related to the administration and enforcement of the Nevada Insurance Code and other laws and regulations enforced by the Department of Business and Industry Division of Insurance (NRS 680C.100).

Gaming Investigative Accounts for activities related to investigations of gaming license applicants (NRS 463.331).

Forestry Nurseries Accounts for the self-supporting operation of State nurseries, which propagate, maintain and distribute plants for conservation purposes (NRS 528.100).

Prison Industry Accounts for a self-supporting program of job training through the employment of inmates in farming and manufacturing (NRS 209.189).

Nevada Magazine Accounts for the operation of the publication, Nevada Magazine, which is published to promote tourism (NRS 231.290).

Marlette Lake Water System Accounts for the costs of operating the State-owned Marlette Lake Water System. The system serves the State Buildings and Grounds Division and portions of Carson City and Storey County (NRS 331.180).

Combining Statement of Net Position

Nonmajor Enterprise Funds

June 30, 2020

	Workers' Compensation and Safety	Insurance Admin and Enforcement	Gaming Investigative	Forestry Nurseries
Assets				
<i>Current assets:</i>				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 57,454,623	\$ 6,827,446	\$ 13,416,728	\$ 1,066,641
Cash in custody of other officials	250	-	222,200	100
<i>Receivables:</i>				
Accounts receivable	3,701,372	1,010,405	46,306	5,499
Intergovernmental receivables	444,724	26,699	-	1,083
Due from other funds	3,153,794	151,659	1,238	188,006
Due from fiduciary funds	-	-	-	-
Inventory	-	-	-	90,659
Prepaid items	22,771	8,658	48,757	474
Total current assets	64,777,534	8,024,867	13,735,229	1,352,462
<i>Noncurrent assets:</i>				
Other assets	-	-	-	-
<i>Capital assets:</i>				
Land	-	-	-	-
Buildings	-	-	-	-
Improvements other than buildings	-	-	-	-
Furniture and equipment	4,645,189	232,909	132,357	48,791
Less accumulated depreciation/amortization	(2,618,850)	(214,585)	(132,357)	(44,245)
Total noncurrent assets	2,026,339	18,324	-	4,546
Total assets	66,803,873	8,043,191	13,735,229	1,357,008
Deferred Outflows of Resources				
Deferred charge on refunding	-	-	-	-
Pensions related amounts	4,546,929	1,765,199	-	68,846
OPEB related amounts	498,852	197,433	-	8,736
Total deferred outflows of resources	5,045,781	1,962,632	-	77,582
Liabilities				
<i>Current liabilities:</i>				
<i>Accounts payable and accruals:</i>				
Accounts payable	1,664,479	180,577	167,396	12,494
Accrued payroll and related liabilities	742,820	291,545	-	10,027
Interest payable	-	-	-	-
Intergovernmental payables	218,207	-	174	-
Due to other funds	380,873	52,111	2,011,142	200,332
Due to fiduciary funds	-	-	-	-
Due to component units	650	-	-	-
Unearned revenues	-	1,024,000	11,304,517	-
Other liabilities	-	-	-	-
<i>Short-term portion of long-term liabilities:</i>				
Compensated absences	1,051,322	340,555	-	10,883
Bonds payable	-	-	-	-
Total current liabilities	4,058,351	1,888,788	13,483,229	233,736
<i>Noncurrent liabilities:</i>				
Advances from other funds	-	-	-	124,020
Net pension obligation	25,182,845	9,762,325	-	311,610
Net OPEB liability	9,307,201	3,683,577	-	162,979
Compensated absences	272,501	78,403	-	819
Bonds payable	-	-	-	-
Total noncurrent liabilities	34,762,547	13,524,305	-	599,428
Total liabilities	38,820,898	15,413,093	13,483,229	833,164
Deferred Inflows of Resources				
Pension related amounts	2,379,777	922,539	-	29,447
OPEB related amounts	565,423	223,782	-	9,902
Total deferred inflows of resources	2,945,200	1,146,321	-	39,349
Net Position				
Net investment in capital assets	2,026,339	18,324	-	4,546
<i>Restricted for:</i>				
Workers' compensation	28,057,217	-	-	-
Regulation of business	-	-	2,000	-
Unrestricted (deficit)	-	(6,571,915)	250,000	557,531
Total net position	\$ 30,083,556	\$ (6,553,591)	\$ 252,000	\$ 562,077

(continued)

<u>Prison Industry</u>	<u>Nevada Magazine</u>	<u>Marlette Lake Water System</u>	<u>Total</u>
\$ 4,175,970	\$ 235,464	\$ 433,103	\$ 83,609,975
100	-	-	222,650
576,185	37,451	-	5,377,218
-	-	99,626	572,132
284,437	36,451	9,518	3,825,103
7,015	-	-	7,015
1,526,721	55,543	-	1,672,923
2,253	1,215	356	84,484
<u>6,572,681</u>	<u>366,124</u>	<u>542,603</u>	<u>95,371,500</u>
5,000	-	-	5,000
153,140	-	414,672	567,812
908,227	-	498,613	1,406,840
1,982,000	-	3,656,507	5,638,507
1,463,803	-	9,649,503	16,172,552
(3,854,371)	-	(4,014,142)	(10,878,550)
<u>657,799</u>	<u>-</u>	<u>10,205,153</u>	<u>12,912,161</u>
<u>7,230,480</u>	<u>366,124</u>	<u>10,747,756</u>	<u>108,283,661</u>
-	-	175,883	175,883
478,083	164,590	67,571	7,091,218
45,857	17,192	7,308	775,378
<u>523,940</u>	<u>181,782</u>	<u>250,762</u>	<u>8,042,479</u>
218,920	22,788	1,698	2,268,352
74,553	14,183	12,069	1,145,197
-	-	58,215	58,215
170	-	6,320	224,871
38,915	134,732	200,775	3,018,880
60,786	-	-	60,786
-	-	-	650
101,902	139,501	-	12,569,920
9,400	-	2,050	11,450
116,309	24,702	29,686	1,573,457
-	-	359,039	359,039
<u>620,955</u>	<u>335,906</u>	<u>669,852</u>	<u>21,290,817</u>
-	-	-	124,020
2,674,339	952,596	376,541	39,260,256
855,582	320,744	136,354	14,466,437
88,845	1,859	12,279	454,706
-	-	7,050,403	7,050,403
<u>3,618,766</u>	<u>1,275,199</u>	<u>7,575,577</u>	<u>61,355,822</u>
<u>4,239,721</u>	<u>1,611,105</u>	<u>8,245,429</u>	<u>82,646,639</u>
252,726	90,021	35,583	3,710,093
51,978	19,485	8,284	878,854
<u>304,704</u>	<u>109,506</u>	<u>43,867</u>	<u>4,588,947</u>
652,799	-	2,795,711	5,497,719
-	-	-	28,057,217
-	-	-	2,000
2,557,196	(1,172,705)	(86,489)	(4,466,382)
<u>\$ 3,209,995</u>	<u>\$ (1,172,705)</u>	<u>\$ 2,709,222</u>	<u>\$ 29,090,554</u>

Combining Statement of Revenues, Expenses and Changes in Fund Net Position

Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2020

	Workers' Compensation and Safety	Insurance Admin and Enforcement	Gaming Investigative	Forestry Nurseries
Operating Revenues				
Sales	\$ -	\$ -	\$ -	\$ 213,656
Assessments	-	414,783	-	-
Charges for services	3,891	548	13,005,285	-
Rental income	-	-	-	-
Licenses, fees and permits	33,449,680	12,144,619	-	-
Fines	4,328,798	134,575	-	-
Other	397,223	-	-	61,140
Total operating revenues	38,179,592	12,694,525	13,005,285	274,796
Operating Expenses				
Salaries and benefits	18,826,304	7,076,259	11,370,536	373,674
Operating	5,339,934	3,694,320	978,136	85,443
Claims and benefits expense	6,417,273	-	-	-
Materials or supplies used	-	-	-	19,057
Depreciation	363,854	6,926	-	691
Total operating expenses	30,947,365	10,777,505	12,348,672	478,865
Operating income (loss)	7,232,227	1,917,020	656,613	(204,069)
Nonoperating Revenues (Expenses)				
Interest and investment income	1,588,922	137,034	-	-
Interest expense	-	-	-	-
Federal grant revenue	2,660,006	96,105	-	-
Total nonoperating revenues (expenses)	4,248,928	233,139	-	-
Income (loss) before transfers	11,481,155	2,150,159	656,613	(204,069)
Transfers				
Transfers in	1,516,804	145,989	-	95,397
Transfers out	(11,644,123)	(1,002,575)	(656,613)	-
Change in net position	1,353,836	1,293,573	-	(108,672)
Net position, July 1	28,729,720	(7,847,164)	252,000	670,749
Net position, June 30	\$ 30,083,556	\$ (6,553,591)	\$ 252,000	\$ 562,077

(continued)

<u>Prison Industry</u>	<u>Nevada Magazine</u>	<u>Marlette Lake Water System</u>	<u>Total</u>
\$ 4,571,506	\$ 768,133	\$ 1,097,454	\$ 6,650,749
-	-	-	414,783
529,842	54,600	-	13,594,166
144,200	-	-	144,200
-	-	-	45,594,299
-	-	-	4,463,373
<u>1,725,693</u>	<u>7,390</u>	<u>145,188</u>	<u>2,336,634</u>
<u>6,971,241</u>	<u>830,123</u>	<u>1,242,642</u>	<u>73,198,204</u>
2,179,930	622,778	290,339	40,739,820
2,963,031	145,413	271,462	13,477,739
-	-	-	6,417,273
1,969,487	102,578	-	2,091,122
91,167	-	372,020	834,658
<u>7,203,615</u>	<u>870,769</u>	<u>933,821</u>	<u>63,560,612</u>
<u>(232,374)</u>	<u>(40,646)</u>	<u>308,821</u>	<u>9,637,592</u>
111,030	-	-	1,836,986
-	-	(270,657)	(270,657)
-	-	-	2,756,111
<u>111,030</u>	<u>-</u>	<u>(270,657)</u>	<u>4,322,440</u>
(121,344)	(40,646)	38,164	13,960,032
29,794	27,806	9,518	1,825,308
<u>(88,633)</u>	<u>(14,603)</u>	<u>(200,000)</u>	<u>(13,606,547)</u>
(180,183)	(27,443)	(152,318)	2,178,793
<u>3,390,178</u>	<u>(1,145,262)</u>	<u>2,861,540</u>	<u>26,911,761</u>
<u>\$ 3,209,995</u>	<u>\$ (1,172,705)</u>	<u>\$ 2,709,222</u>	<u>\$ 29,090,554</u>

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2020

	Workers' Compensation and Safety	Insurance Admin and Enforcement	Gaming Investigative	Forestry Nurseries
Cash flows from operating activities				
Receipts from customers and users	\$ 36,698,304	\$ 11,847,266	\$ 13,023,904	\$ 118,292
Receipts for interfund services provided	194,769	431,535	-	110,243
Payments to suppliers, other governments and beneficiaries	(6,341,328)	(2,213,005)	(232,107)	(41,666)
Payments to employees	(17,931,023)	(7,067,337)	(11,370,536)	(222,017)
Payments for interfund services	(3,589,975)	(1,279,363)	(25,474)	(33,766)
Payments to component units	(17,103)	-	-	-
Net cash provided by (used for) operating activities	9,013,644	1,719,096	1,395,787	(68,914)
Cash flows from noncapital financing activities				
Grant receipts	2,580,231	551,266	-	-
Transfers and advances from other funds	-	12,301	-	86,726
Transfers and advances to other funds	(12,331,608)	(1,023,612)	(695,525)	(20,670)
Net cash provided by (used for) noncapital financing activities	(9,751,377)	(460,045)	(695,525)	66,056
Cash flows from capital and related financing activities				
Purchase of capital assets	(47,151)	(8,349)	-	-
Principal paid on capital debt	-	-	-	-
Interest paid on capital debt	-	-	-	-
Net cash provided by (used for) capital and related financing activities	(47,151)	(8,349)	-	-
Cash flows from investing activities				
Interest, dividends and gains (losses)	1,774,523	144,717	-	-
Net cash provided by (used for) investing activities	1,774,523	144,717	-	-
Net cash increase (decreases) in cash	989,639	1,395,419	700,262	(2,858)
Cash and cash equivalents, July 1	56,465,234	5,432,027	12,938,666	1,069,599
Cash and cash equivalents, June 30	\$ 57,454,873	\$ 6,827,446	\$ 13,638,928	\$ 1,066,741
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	\$ 7,232,227	\$ 1,917,020	\$ 656,613	\$ (204,069)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	363,854	6,926	-	691
Decrease (increase) in accrued interest and receivables	(1,243,019)	(708,374)	61,703	(46,261)
Decrease (increase) in inventory, deferred charges, other assets	335,773	115,605	(10,739)	(35,826)
Decrease (increase) in deferred outflow of resources	(374,443)	(119,575)	-	(19,788)
Increase (decrease) in accounts payable, accruals, other liabilities	1,881,286	154,301	731,294	174,314
Increase (decrease) in unearned revenues	(43,500)	292,650	(43,084)	-
Increase(decrease) in net pension liability	292,153	(185,068)	-	3,476
Increase(decrease) in net OPEB liability	50,057	63,475	-	49,179
Increase (decrease) in deferred inflows of resources	519,256	182,136	-	9,370
Total adjustments	1,781,417	(197,924)	739,174	135,155
Net cash provided by (used for) operating activities	\$ 9,013,644	\$ 1,719,096	\$ 1,395,787	\$ (68,914)

(continued)

<u>Prison Industry</u>	<u>Nevada Magazine</u>	<u>Marlette Lake Water System</u>	<u>Total</u>
\$ 5,408,833	\$ 703,178	\$ 1,371,272	\$ 69,171,049
1,453,925	205,369	8,775	2,404,616
(2,975,758)	(203,303)	(262,739)	(12,269,906)
(1,855,240)	(645,743)	(302,530)	(39,394,426)
(2,028,282)	(70,717)	(75,376)	(7,102,953)
-	-	(3,527)	(20,630)
<u>3,478</u>	<u>(11,216)</u>	<u>735,875</u>	<u>12,787,750</u>
-	-	-	3,131,497
-	132,781	203,975	435,783
<u>(101,989)</u>	<u>-</u>	<u>-</u>	<u>(14,173,404)</u>
<u>(101,989)</u>	<u>132,781</u>	<u>203,975</u>	<u>(10,606,124)</u>
(271,834)	-	-	(327,334)
-	-	(299,000)	(299,000)
-	-	(302,983)	(302,983)
<u>(271,834)</u>	<u>-</u>	<u>(601,983)</u>	<u>(929,317)</u>
127,534	-	-	2,046,774
<u>127,534</u>	<u>-</u>	<u>-</u>	<u>2,046,774</u>
(242,811)	121,565	337,867	3,299,083
4,418,881	113,899	95,236	80,533,542
<u>\$ 4,176,070</u>	<u>\$ 235,464</u>	<u>\$ 433,103</u>	<u>\$ 83,832,625</u>
<u>\$ (232,374)</u>	<u>\$ (40,646)</u>	<u>\$ 308,821</u>	<u>\$ 9,637,592</u>
91,167	-	372,020	834,658
(148,113)	75,532	137,405	(1,871,127)
(65,099)	(17,388)	(7)	322,319
(63,500)	(4,540)	(4,392)	(586,238)
(10,082)	(20,184)	(83,443)	2,827,486
39,630	2,892	-	248,588
341,645	6,213	(2,615)	455,804
(26,192)	(30,417)	807	106,909
76,396	17,322	7,279	811,759
<u>235,852</u>	<u>29,430</u>	<u>427,054</u>	<u>3,150,158</u>
<u>\$ 3,478</u>	<u>\$ (11,216)</u>	<u>\$ 735,875</u>	<u>\$ 12,787,750</u>

[Page Intentionally Left Blank]

Internal Service Funds

Self-Insurance Accounts for self-insured group life, accident and health insurance plans for State and other government employees (NRS 287.0435).

Buildings and Grounds Accounts for the maintenance, housekeeping and security of most State buildings (NRS 331.101).

Fleet Services Accounts for the operations of the State vehicle fleet (NRS 336.110).

Communications Accounts for the operation of mail services for State agencies in Carson City, Reno, Las Vegas and Elko (NRS 378.143).

Insurance Premiums Allocates the costs of fidelity insurance, property insurance and workers' compensation insurance to State agencies (NRS 331.187).

Administrative Services Provides administrative and accounting services to various divisions of the Department of Administration (NRS 232.219).

Personnel Accounts for the costs of administering the State personnel system. Operations are financed by assessments charged to user agencies (NRS 284.110).

Purchasing Provides purchasing services to State agencies and other governmental units. The operation is financed by an administrative charge on purchase orders and warehouse orders (NRS 333.120).

Information Services Accounts for designing, programming, and maintaining data processing software and also operating the State's central computer facility, radio communication and telecommunication systems (NRS 242.211).

Printing Accounts for the operation of the State printing facilities (NRS 344.090).

Combining Statement of Net Position

Internal Service Funds

June 30, 2020

	Self-Insurance	Buildings and Grounds	Fleet Services	Communications
Assets				
<i>Current assets:</i>				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 159,637,188	\$ 5,893,863	\$ 5,506,061	\$ 92,785
<i>Receivables:</i>				
Accounts receivable	6,055,621	38,714	7,927	14,386
Intergovernmental receivables	8,911,233	304	3,118	30,793
Notes/loans receivable	-	-	-	-
Due from other funds	1,441,984	1,049,935	1,056,950	504,196
Due from fiduciary funds	11,699,729	-	-	40
Due from component units	4,567	-	4,003	38
Inventory	-	-	-	-
Prepaid items	3,202	7,234	1,898	2,016
Total current assets	187,753,524	6,990,050	6,579,957	644,254
<i>Noncurrent assets:</i>				
<i>Receivables:</i>				
Notes/loans receivable	-	-	-	-
Other assets	-	-	-	-
<i>Capital assets:</i>				
Land	-	20,400	901,783	-
Buildings	-	2,268,068	2,476,962	-
Improvements other than buildings	-	291,216	-	422,451
Furniture and equipment	461,025	949,754	30,878,016	1,129,041
Software costs	-	-	-	-
Less accumulated depreciation/amortization	(435,940)	(2,796,048)	(22,490,359)	(1,261,016)
Total noncurrent assets	25,085	733,390	11,766,402	290,476
Total assets	187,778,609	7,723,440	18,346,359	934,730
Deferred Outflows of Resources				
Pensions related amounts	663,273	1,444,856	270,654	272,617
OPEB related amounts	69,742	149,827	30,566	30,025
Total deferred outflows of resources	733,015	1,594,683	301,220	302,642
Liabilities				
<i>Current liabilities:</i>				
<i>Accounts payable and accruals:</i>				
Accounts payable	1,409,272	1,041,237	1,570,468	18,914
Accrued payroll and related liabilities	98,393	252,846	45,397	44,549
Intergovernmental payables	-	56,026	1,331	5,000
Bank overdraft	3,428,332	-	-	-
Due to other funds	20,435	108,077	2,397,899	26,831
Due to fiduciary funds	-	961	2,825	-
Due to component units	-	-	-	-
Unearned revenues	3,489,755	-	-	-
<i>Short-term portion of long-term liabilities:</i>				
Reserve for losses	89,702,313	-	-	-
Compensated absences	156,804	344,711	75,452	78,468
Bonds payable	-	-	-	-
Obligations under capital leases	-	-	1,109,539	-
Total current liabilities	98,305,304	1,803,858	5,202,911	173,762
<i>Noncurrent liabilities:</i>				
Advances from other funds	-	-	1,562,500	-
Reserve for losses	-	-	-	-
Net pension obligation	3,833,649	8,013,336	1,490,408	1,525,525
Net OPEB liability	1,301,204	2,795,377	570,277	560,178
Compensated absences	38,259	92,554	45,483	43,796
Bonds payable	-	-	-	-
Obligations under capital leases	-	-	285,456	-
Total noncurrent liabilities	5,173,112	10,901,267	3,954,124	2,129,499
Total liabilities	103,478,416	12,705,125	9,157,035	2,303,261
Deferred Inflows of Resources				
Pension related amounts	362,280	757,261	140,842	144,161
OPEB related amounts	79,050	169,823	34,645	34,031
Total deferred inflows of resources	441,330	927,084	175,487	178,192
Net Position				
Net investment in capital assets	25,085	733,390	10,371,407	290,476
Unrestricted (deficit)	84,566,793	(5,047,476)	(1,056,350)	(1,534,557)
Total net position	\$ 84,591,878	\$ (4,314,086)	\$ 9,315,057	\$ (1,244,081)

(continued)

<u>Insurance Premiums</u>	<u>Administrative Services</u>	<u>Personnel</u>	<u>Purchasing</u>	<u>Information Services</u>	<u>Printing</u>	<u>Total</u>
\$ 20,715,257	\$ 789,892	\$ 2,876,223	\$ 702,790	\$ 11,101,603	\$ 2,278,444	\$ 209,594,106
98	-	-	665,519	112,427	-	6,894,692
2,940	-	-	-	88,623	-	9,037,011
5,000	-	-	-	-	-	5,000
1,435,456	124,754	230,813	25,485	5,568,806	98,247	11,536,626
12	-	-	-	-	-	11,699,781
7,566	-	-	-	2,389	-	18,563
-	-	-	-	-	241,547	241,547
164,065	3,321	6,997	2,491	20,043	1,898	213,165
<u>22,330,394</u>	<u>917,967</u>	<u>3,114,033</u>	<u>1,396,285</u>	<u>16,893,891</u>	<u>2,620,136</u>	<u>249,240,491</u>
55,000	-	-	-	-	-	55,000
-	-	-	-	3,761	-	3,761
-	-	-	95,554	15,000	-	1,032,737
-	-	-	140,000	14,762,838	744,617	20,392,485
-	-	-	-	-	3,125,954	3,839,621
14,442	6,300	201,252	86,146	18,733,314	3,980,446	56,439,736
-	-	16,134,510	-	-	-	16,134,510
<u>(14,416)</u>	<u>(6,300)</u>	<u>(15,733,097)</u>	<u>(226,146)</u>	<u>(19,742,484)</u>	<u>(5,465,692)</u>	<u>(68,171,498)</u>
55,026	-	602,665	95,554	13,772,429	2,385,325	29,726,352
<u>22,385,420</u>	<u>917,967</u>	<u>3,716,698</u>	<u>1,491,839</u>	<u>30,666,320</u>	<u>5,005,461</u>	<u>278,966,843</u>
196,258	609,194	1,315,251	518,695	4,722,333	434,568	10,447,699
22,121	66,760	145,930	54,797	519,820	54,087	1,143,675
<u>218,379</u>	<u>675,954</u>	<u>1,461,181</u>	<u>573,492</u>	<u>5,242,153</u>	<u>488,655</u>	<u>11,591,374</u>
501,101	1,666	2,605	273,955	332,524	150,520	5,302,262
31,813	102,321	223,555	77,261	781,301	51,136	1,708,572
-	-	-	44	5,695	-	68,096
-	-	-	-	-	-	3,428,332
44,850	4,366	215,492	226,777	2,022,186	12,946	5,079,859
-	-	-	-	-	5,150	8,936
5,833	-	-	-	5,667	-	11,500
-	-	-	-	-	-	3,489,755
19,247,693	-	-	-	-	-	108,950,006
52,804	161,954	352,933	138,511	1,256,052	105,209	2,722,898
-	-	-	-	513,323	-	513,323
-	-	-	-	-	-	1,109,539
<u>19,884,094</u>	<u>270,307</u>	<u>794,585</u>	<u>716,548</u>	<u>4,916,748</u>	<u>324,961</u>	<u>132,393,078</u>
-	-	-	-	5,757,289	-	7,319,789
43,964,147	-	-	-	-	-	43,964,147
1,082,650	3,424,942	7,342,667	3,002,578	26,357,821	1,469,149	57,542,725
412,721	1,245,558	2,722,650	1,022,386	9,698,434	898,052	21,226,837
26,730	34,709	200,956	59,735	575,865	62,110	1,180,197
-	-	-	-	2,169,634	-	2,169,634
-	-	-	-	-	-	285,456
<u>45,486,248</u>	<u>4,705,209</u>	<u>10,266,273</u>	<u>4,084,699</u>	<u>44,559,043</u>	<u>2,429,311</u>	<u>133,688,785</u>
<u>65,370,342</u>	<u>4,975,516</u>	<u>11,060,858</u>	<u>4,801,247</u>	<u>49,475,791</u>	<u>2,754,272</u>	<u>266,081,863</u>
102,310	323,659	693,881	283,744	2,490,812	263,103	5,562,053
25,073	75,669	165,404	62,112	589,192	54,269	1,289,268
<u>127,383</u>	<u>399,328</u>	<u>859,285</u>	<u>345,856</u>	<u>3,080,004</u>	<u>317,372</u>	<u>6,851,321</u>
26	-	602,665	95,554	11,115,310	2,385,325	25,619,238
<u>(42,893,952)</u>	<u>(3,780,923)</u>	<u>(7,344,929)</u>	<u>(3,177,326)</u>	<u>(27,762,632)</u>	<u>37,147</u>	<u>(7,994,205)</u>
<u>\$ (42,893,926)</u>	<u>\$ (3,780,923)</u>	<u>\$ (6,742,264)</u>	<u>\$ (3,081,772)</u>	<u>\$ (16,647,322)</u>	<u>\$ 2,422,472</u>	<u>\$ 17,625,033</u>

Combining Statement of Revenues, Expenses and Changes in Fund Net Position

Internal Service Funds

For the Fiscal Year Ended June 30, 2020

	Self-Insurance	Buildings and Grounds	Fleet Services	Communications
Operating Revenues				
Net premium income	\$ 391,121,895	\$ -	\$ -	\$ -
Sales	-	-	1,387	-
Charges for services	-	898,072	50,265	6,264,643
Rental income	-	15,905,032	6,119,270	-
Other	5,520	54,346	-	-
Total operating revenues	391,127,415	16,857,450	6,170,922	6,264,643
Operating Expenses				
Salaries and benefits	2,793,277	5,978,800	1,188,318	1,175,405
Operating	2,356,630	10,140,493	2,843,369	5,249,361
Claims and benefits expense	303,888,916	-	-	-
Materials or supplies used	-	-	97,794	-
Depreciation	40,542	151,129	3,312,232	32,281
Insurance premiums	59,748,805	-	-	-
Total operating expenses	368,828,170	16,270,422	7,441,713	6,457,047
Operating income (loss)	22,299,245	587,028	(1,270,791)	(192,404)
Nonoperating Revenues (Expenses)				
Interest and investment income	3,751,217	-	-	-
Interest expense	-	-	(67,227)	-
Gain (loss) on disposal of assets	-	-	107,394	-
Total nonoperating revenues (expenses)	3,751,217	-	40,167	-
Income (loss) before transfers	26,050,462	587,028	(1,230,624)	(192,404)
Transfers				
Transfers in	408,891	899,918	89,585	6,235
Transfers out	-	(25,083)	(2,181,203)	-
Change in net position	26,459,353	1,461,863	(3,322,242)	(186,169)
Net position, July 1	58,132,525	(5,775,949)	12,637,299	(1,057,912)
Net position, June 30	\$ 84,591,878	\$ (4,314,086)	\$ 9,315,057	\$ (1,244,081)

(continued)

<u>Insurance Premiums</u>	<u>Administrative Services</u>	<u>Personnel</u>	<u>Purchasing</u>	<u>Information Services</u>	<u>Printing</u>	<u>Total</u>
\$ 25,066,096	\$ -	\$ -	\$ -	\$ -	\$ -	416,187,991
-	-	-	81,508	-	2,544,292	2,627,187
-	2,914,176	8,762,960	3,385,015	39,569,009	-	61,844,140
-	-	-	-	-	-	22,024,302
102,591	-	28,340	115,007	14,777	8,640	329,221
<u>25,168,687</u>	<u>2,914,176</u>	<u>8,791,300</u>	<u>3,581,530</u>	<u>39,583,786</u>	<u>2,552,932</u>	<u>503,012,841</u>
752,756	2,551,414	4,903,730	2,240,472	20,740,793	1,730,522	44,055,487
1,834,758	434,860	3,225,581	2,046,888	13,466,935	953,393	42,552,268
15,313,204	-	-	-	-	-	319,202,120
-	-	-	-	-	-	97,794
802	-	90,756	-	2,253,248	149,798	6,030,788
<u>7,147,826</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,896,631</u>
<u>25,049,346</u>	<u>2,986,274</u>	<u>8,220,067</u>	<u>4,287,360</u>	<u>36,460,976</u>	<u>2,833,713</u>	<u>478,835,088</u>
<u>119,341</u>	<u>(72,098)</u>	<u>571,233</u>	<u>(705,830)</u>	<u>3,122,810</u>	<u>(280,781)</u>	<u>24,177,753</u>
-	-	-	-	-	-	3,751,217
-	-	-	-	-	-	(67,227)
-	-	-	-	(8,589)	-	98,805
-	-	-	-	(8,589)	-	3,782,795
<u>119,341</u>	<u>(72,098)</u>	<u>571,233</u>	<u>(705,830)</u>	<u>3,114,221</u>	<u>(280,781)</u>	<u>27,960,548</u>
35,857	114,087	78,682	23,409	715,240	159,150	2,531,054
<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,256,286)</u>
105,198	41,989	649,915	(682,421)	3,829,461	(121,631)	28,235,316
<u>(42,999,124)</u>	<u>(3,822,912)</u>	<u>(7,392,179)</u>	<u>(2,399,351)</u>	<u>(20,476,783)</u>	<u>2,544,103</u>	<u>(10,610,283)</u>
<u>\$ (42,893,926)</u>	<u>\$ (3,780,923)</u>	<u>\$ (6,742,264)</u>	<u>\$ (3,081,772)</u>	<u>\$ (16,647,322)</u>	<u>\$ 2,422,472</u>	<u>\$ 17,625,033</u>

Combining Statement of Cash Flows

Internal Service Funds

For the Fiscal Year Ended June 30, 2020

	<u>Self-Insurance</u>	<u>Buildings and Grounds</u>	<u>Fleet Services</u>	<u>Communications</u>
Cash flows from operating activities				
Receipts from customers and users	\$ 67,200,183	\$ 20,994	\$ 107,636	\$ 449,634
Receipts for interfund services provided	296,430,133	16,700,578	5,453,787	5,840,315
Receipts from component units	13,822,120	-	49,657	2,489
Receipts of principal on loans/notes	-	-	-	-
Payments to suppliers, other governments and beneficiaries	(374,541,205)	(6,892,220)	(354,509)	(4,820,999)
Payments to employees	(2,592,613)	(5,759,614)	(1,127,540)	(1,119,757)
Payments for interfund services	(865,561)	(2,700,042)	(1,110,853)	(398,042)
Payments to component units	-	(84)	-	-
Net cash provided by (used for) operating activities	<u>(546,943)</u>	<u>1,369,612</u>	<u>3,018,178</u>	<u>(46,360)</u>
Cash flows from noncapital financing activities				
Transfers and advances from other funds	-	103,481	10,351,005	-
Transfers and advances to other funds	-	-	-	-
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>103,481</u>	<u>10,351,005</u>	<u>-</u>
Cash flows from capital and related financing activities				
Proceeds from sale of capital assets	-	-	208,234	-
Purchase of capital assets	(10,678)	(21,694)	(7,133,325)	(68,566)
Principal paid on capital debt	-	-	(1,199,233)	-
Interest paid on capital debt	-	-	(67,227)	-
Net cash provided by (used for) capital and related financing activities	<u>(10,678)</u>	<u>(21,694)</u>	<u>(8,191,551)</u>	<u>(68,566)</u>
Cash flows from investing activities				
Interest, dividends and gains (losses)	4,286,191	-	-	-
Net cash provided by (used for) investing activities	<u>4,286,191</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decreases) in cash	3,728,570	1,451,399	5,177,632	(114,926)
Cash and cash equivalents, July 1	155,908,618	4,442,464	328,429	207,711
Cash and cash equivalents, June 30	<u>\$ 159,637,188</u>	<u>\$ 5,893,863</u>	<u>\$ 5,506,061</u>	<u>\$ 92,785</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	\$ 22,299,245	\$ 587,028	\$ (1,270,791)	\$ (192,404)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	40,542	151,129	3,312,232	32,281
Decrease (increase) in loans and notes receivable	-	-	-	-
Decrease (increase) in accrued interest and receivables	(14,463,906)	(142,045)	(559,842)	27,795
Decrease (increase) in inventory, deferred charges, other assets	409	(12)	(267)	81
Decrease (increase) in deferred outflow of resources	(46,923)	(111,496)	(22,359)	(19,778)
Increase (decrease) in accounts payable, accruals, other liabilities	(8,462,288)	633,526	1,514,862	59,807
Increase (decrease) in unearned revenues	(173,143)	-	-	-
Increase(decrease) in net pension liability	286,410	76,085	(4,542)	20,256
Increase(decrease) in net OPEB liability	(116,303)	10,694	18,798	(5,490)
Increase (decrease) in deferred inflows of resources	89,014	164,703	30,087	31,092
Total adjustments	<u>(22,846,188)</u>	<u>782,584</u>	<u>4,288,969</u>	<u>146,044</u>
Net cash provided by (used for) operating activities	<u>\$ (546,943)</u>	<u>\$ 1,369,612</u>	<u>\$ 3,018,178</u>	<u>\$ (46,360)</u>

(continued)

Insurance Premiums	Administrative Services	Personnel	Purchasing	Information Services	Printing	Total
\$ 146,848	\$ -	\$ 355	\$ 1,843,501	\$ 752,436	\$ 464,330	\$ 70,985,917
23,795,195	2,903,509	9,116,926	1,617,121	36,330,464	2,201,078	400,389,106
580,592	-	195,881	-	-	-	14,650,739
5,000	-	-	-	-	-	5,000
(11,506,571)	(42,956)	(470,869)	(1,055,569)	(13,224,314)	(747,603)	(413,656,815)
(786,913)	(2,421,031)	(5,262,802)	(1,983,369)	(18,935,727)	(1,648,875)	(41,638,241)
(11,237,210)	(398,910)	(2,668,176)	(684,584)	(42)	(187,189)	(20,250,609)
(79,719)	-	(6,119)	-	(84,234)	-	(170,156)
<u>917,222</u>	<u>40,612</u>	<u>905,196</u>	<u>(262,900)</u>	<u>4,838,583</u>	<u>81,741</u>	<u>10,314,941</u>
-	-	-	-	335,212	159,150	10,948,848
(50,000)	-	-	-	(1,024,875)	-	(1,074,875)
<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(689,663)</u>	<u>159,150</u>	<u>9,873,973</u>
-	-	-	-	-	-	208,234
-	-	-	-	(168,623)	(74,192)	(7,477,078)
-	-	-	-	(513,323)	-	(1,712,556)
-	-	-	-	-	-	(67,227)
-	-	-	-	(681,946)	(74,192)	(9,048,627)
-	-	-	-	-	-	4,286,191
-	-	-	-	-	-	4,286,191
867,222	40,612	905,196	(262,900)	3,466,974	166,699	15,426,478
19,848,035	749,280	1,971,027	965,690	7,634,629	2,111,745	194,167,628
<u>\$ 20,715,257</u>	<u>\$ 789,892</u>	<u>\$ 2,876,223</u>	<u>\$ 702,790</u>	<u>\$ 11,101,603</u>	<u>\$ 2,278,444</u>	<u>\$ 209,594,106</u>
<u>\$ 119,341</u>	<u>\$ (72,098)</u>	<u>\$ 571,233</u>	<u>\$ (705,830)</u>	<u>\$ 3,122,810</u>	<u>\$ (280,781)</u>	<u>\$ 24,177,753</u>
802	-	90,756	-	2,253,248	149,798	6,030,788
5,000	-	-	-	-	-	5,000
(646,052)	(10,667)	521,861	(122,268)	(2,500,886)	112,476	(17,783,534)
37,195	(176)	(241)	407	21,515	18,066	76,977
(9,351)	(43,186)	(33,493)	(42,253)	(459,587)	(104,678)	(893,104)
1,446,521	53,273	201,490	340,792	443,130	7,610	(3,761,277)
-	-	-	1,360	-	-	(171,783)
(64,860)	67,433	(529,198)	284,552	1,323,496	144,164	1,603,796
11,378	(24,617)	(21,573)	(93,560)	19,497	34,787	(166,389)
17,248	70,650	104,361	73,900	615,360	299	1,196,714
<u>797,881</u>	<u>112,710</u>	<u>333,963</u>	<u>442,930</u>	<u>1,715,773</u>	<u>362,522</u>	<u>(13,862,812)</u>
<u>\$ 917,222</u>	<u>\$ 40,612</u>	<u>\$ 905,196</u>	<u>\$ (262,900)</u>	<u>\$ 4,838,583</u>	<u>\$ 81,741</u>	<u>\$ 10,314,941</u>

[Page Intentionally Left Blank]

Fiduciary Funds

PENSION AND OTHER EMPLOYEE BENEFIT TRUST

Public Employees' Retirement Accounts for the operations of the Public Employees' Retirement System which provides income benefits to qualified public employees (NRS 286.220).

Legislators' Retirement Accounts for the operations of the Legislators' Retirement System (NRS 218.2375).

Judicial Retirement Accounts for the operations of the Judicial Retirement System which provides benefits for justices of the Supreme Court, district judges, municipal court judges, and justices of the peace (NRS 1A.160).

State Retirees' Fund Accounts for the assets accumulated and the payments made for other postemployment benefits provided to current and future State retirees. Administered as a defined benefit Other Postemployment Benefit Plan (OPEB) (NRS 287.0436).

INVESTMENT TRUST

Local Government Investment Pool Accounts for investment funds received from local governments and pooled to obtain greater interest earnings (NRS 355.167).

Nevada Enhanced Savings Term Accounts for the establishment of one or more separate subaccounts for identified investments that are made for and allocated to specific participating local governments (NRS 355.165).

Retirement Benefits Investment Fund Accounts for investment of contributions made by participating entities to support financing of other post employment benefits at some time in the future (NRS 355.220).

PRIVATE PURPOSE TRUST

Prisoners' Personal Property Accounts for personal property held in trust for prisoners pending their release (NRS 209.241).

Nevada College Savings Plan Accounts for participant contributions used to pay for future college expenses (NRS 353B.340).

CUSTODIAL

Intergovernmental Accounts for taxes and fees, such as sales and use, property tax and motor vehicle privilege tax, collected by the Department of Taxation on behalf of local governments (NRS 353.254).

Motor Vehicle Accounts for taxes and fees collected by the Department of Motor Vehicles pending distribution to counties (NRS 482.180).

Child Support Disbursement Accounts for the centralized collection and disbursement of child support payments in accordance with 42 U.S.C. Sec. 654b (NRS 425.363).

Child Welfare Trust Accounts for survivor benefits held in trust for children receiving welfare services (NRS 432.037).

Restitution Trust Accounts for money received from parolees making restitution (NRS 213.126).

Combining Statement of Fiduciary Net Position

Pension and Other Employee Benefit Trust, Investment Trust, Private-Purpose Trust and Custodial Funds

June 30, 2020

	Pension Trust Funds				Total
	Public Employees' Retirement	Legislators' Retirement	Judicial Retirement	State Retirees' Fund	
Assets					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ -	\$ -	\$ -	\$ 2,570,445	\$ 2,570,445
Cash in custody of other officials	773,941,346	16,937	821,523	-	774,779,806
<i>Investments:</i>					
Investments	-	-	-	1,843,713	1,843,713
Fixed income securities	12,694,853,860	1,167,045	33,943,875	-	12,729,964,780
Marketable equity securities	18,879,521,208	3,428,181	103,722,661	-	18,986,672,050
International securities	9,342,475,742	77,643	2,396,921	-	9,344,950,306
Real estate	2,115,552,553	-	-	-	2,115,552,553
Alternative investments	2,635,864,456	-	-	-	2,635,864,456
Collateral on loaned securities	205,982,715	-	-	-	205,982,715
<i>Receivables:</i>					
Taxes receivable	-	-	-	-	-
Intergovernmental receivables	144,002,701	-	70,489	22,806	144,095,996
Accrued interest and dividends	143,688,471	6,842	203,017	-	143,898,330
Other receivables	-	-	2,655	-	2,655
Trades pending settlement	599,026,854	73,698	2,103,927	-	601,204,479
Contributions receivables	-	-	-	-	-
Due from other funds	26,345,347	-	273,154	130,776	26,749,277
Due from fiduciary funds	-	-	-	-	-
Due from component units	-	-	-	1,480,374	1,480,374
Other assets	4,131,236	-	-	-	4,131,236
Furniture and equipment	46,556,109	-	-	-	46,556,109
Less accumulated depreciation/amortization	(42,682,996)	-	-	-	(42,682,996)
Total assets	47,569,259,602	4,770,346	143,538,222	6,048,114	47,723,616,284
Liabilities					
<i>Accounts payable and accruals:</i>					
Accounts payable	21,062,638	1,030	45,956	-	21,109,624
Intergovernmental payables	-	-	-	-	-
Trades pending settlement	607,096,841	74,979	2,150,589	-	609,322,409
Redemptions payable	-	-	-	-	-
Bank overdraft	-	-	-	-	-
Obligations under securities lending	205,982,715	-	-	-	205,982,715
Due to other funds	52	-	-	11,699,729	11,699,781
Due to fiduciary funds	-	-	-	-	-
Other liabilities	-	-	-	-	-
Total liabilities	834,142,246	76,009	2,196,545	11,699,729	848,114,529
Net Position					
<i>Restricted for:</i>					
Pension benefits	46,735,117,356	4,694,337	141,341,677	-	46,881,153,370
OPEB benefits	-	-	-	(5,651,615)	(5,651,615)
Pool participants	-	-	-	-	-
Individuals	-	-	-	-	-
Total net position	\$ 46,735,117,356	\$ 4,694,337	\$ 141,341,677	\$ (5,651,615)	\$ 46,875,501,755

(continued)

Investment Trust Funds				Private-Purpose Trust Funds		
Local Government Investment Pool	Nevada Enhanced Savings Term	Retirement Benefits Investment Fund	Total	Prisoners' Personal Property	Nevada College Savings Plan	Total
\$ -	\$ -	\$ -	\$ -	\$ 9,450,538	\$ -	\$ 9,450,538
-	-	3,821,019	3,821,019	-	28,578,754	28,578,754
1,754,723,749	40,504,896	598,498,473	2,393,727,118	-	29,126,226,917	29,126,226,917
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,739,544	112,926	10,684,532	15,537,002	80,418	-	80,418
-	-	-	-	-	803,646	803,646
-	-	-	-	-	-	-
-	-	-	-	-	5,564,705	5,564,705
-	-	-	-	-	23,768,884	23,768,884
-	-	-	-	159,685	-	159,685
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	48,222	-	48,222
-	-	-	-	(48,222)	-	(48,222)
<u>1,759,463,293</u>	<u>40,617,822</u>	<u>613,004,024</u>	<u>2,413,085,139</u>	<u>9,690,641</u>	<u>29,184,942,906</u>	<u>29,194,633,547</u>
-	38,708	46,256	84,964	246,570	3,553,307	3,799,877
35,667	-	-	35,667	18,602	-	18,602
-	-	11,004,415	11,004,415	-	12,304,197	12,304,197
-	-	-	-	-	16,252,064	16,252,064
-	-	-	-	-	5,043,000	5,043,000
-	-	-	-	-	-	-
3,666	5,718	-	9,384	1,299,975	-	1,299,975
-	-	-	-	16,440	-	16,440
<u>25,747</u>	<u>-</u>	<u>-</u>	<u>25,747</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>65,080</u>	<u>44,426</u>	<u>11,050,671</u>	<u>11,160,177</u>	<u>1,581,587</u>	<u>37,152,568</u>	<u>38,734,155</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,759,398,213	40,573,396	601,953,353	2,401,924,962	8,109,054	29,147,790,338	29,155,899,392
-	-	-	-	-	-	-
<u>\$ 1,759,398,213</u>	<u>\$ 40,573,396</u>	<u>\$ 601,953,353</u>	<u>\$ 2,401,924,962</u>	<u>\$ 8,109,054</u>	<u>\$ 29,147,790,338</u>	<u>\$ 29,155,899,392</u>

Combining Statement of Fiduciary Net Position

Pension and Other Employee Benefit Trust, Investment Trust, Private-Purpose Trust and Custodial Funds

June 30, 2020

Custodial Funds

	Intergovern- mental	Motor Vehicle	Child Support Disbursement	Child Welfare Trust	Restitution Trust	Total
Assets						
<i>Cash and pooled investments:</i>						
Cash with treasurer	\$ 23,643,059	\$ 37,144,886	\$ -	\$ 148,827	\$ 3,812,476	\$ 64,749,248
Cash in custody of other officials	-	-	4,910,052	-	-	4,910,052
<i>Investments:</i>						
Investments	-	-	-	-	-	-
Fixed income securities	-	-	-	-	-	-
Marketable equity securities	-	-	-	-	-	-
International securities	-	-	-	-	-	-
Real estate	-	-	-	-	-	-
Alternative investments	-	-	-	-	-	-
Collateral on loaned securities	-	-	-	-	-	-
<i>Receivables:</i>						
Taxes receivable	16,275,706	51,191,657	-	-	-	67,467,363
Intergovernmental receivables	-	71	-	-	-	71
Accrued interest and dividends	-	-	-	-	-	-
Other receivables	-	86,961	-	15,520	-	102,481
Trades pending settlement	-	-	-	-	-	-
Contributions receivables	-	-	-	-	-	-
Due from other funds	544,328,692	45,264	-	882	4,150	544,378,988
Due from fiduciary funds	-	-	-	-	16,440	16,440
Due from component units	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Furniture and equipment	-	-	-	-	-	-
Less accumulated depreciation/amortization	-	-	-	-	-	-
Total assets	584,247,457	88,468,839	4,910,052	165,229	3,833,066	681,624,643
Liabilities						
<i>Accounts payable and accruals:</i>						
Accounts payable	-	1,255,097	-	37,480	67,624	1,360,201
Intergovernmental payables	584,247,457	87,213,742	-	-	-	671,461,199
Trades pending settlement	-	-	-	-	-	-
Redemptions payable	-	-	-	-	-	-
Bank overdraft	-	-	-	-	-	-
Obligations under securities lending	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Due to fiduciary funds	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total liabilities	584,247,457	88,468,839	-	37,480	67,624	672,821,400
Net Position						
<i>Restricted for:</i>						
Pension benefits	-	-	-	-	-	-
OPEB benefits	-	-	-	-	-	-
Pool participants	-	-	-	-	-	-
Individuals	-	-	4,910,052	127,749	3,765,442	8,803,243
Total net position	\$ -	\$ -	\$ 4,910,052	\$ 127,749	\$ 3,765,442	\$ 8,803,243

[Page Intentionally Left Blank]

Combining Statement of Changes in Fiduciary Net Position

Pension and Other Employee Benefit Trust, Investment Trust, Private-Purpose Trust and Custodial Funds

For the Fiscal Year Ended June 30, 2020

	Pension Trust Funds				Total
	Public Employees' Retirement	Legislators' Retirement	Judicial Retirement	State Retirees' Fund	
Additions					
<i>Contributions:</i>					
Employer	\$ 1,045,108,804	\$ 97,935	\$ 5,334,572	\$ 43,881,808	\$ 1,094,423,119
Plan members	1,045,108,804	24,724	133,589	-	1,045,267,117
Participants	-	-	-	-	-
Repayment and purchase of service	67,038,909	-	501,029	-	67,539,938
Total contributions	2,157,256,517	122,659	5,969,190	43,881,808	2,207,230,174
<i>Investment income:</i>					
Net increase (decrease) in fair value of investments	2,162,384,222	214,892	6,147,089	103,941	2,168,850,144
Interest, dividends	908,727,064	80,499	2,288,298	100,811	911,196,672
Securities lending	4,086,256	-	-	-	4,086,256
Other	119,982,070	-	-	-	119,982,070
	3,195,179,612	295,391	8,435,387	204,752	3,204,115,142
Less investment expense:					
Other	(57,703,435)	(805)	(20,348)	(474)	(57,725,062)
Net investment income	3,137,476,177	294,586	8,415,039	204,278	3,146,390,080
<i>Other:</i>					
Investment from local governments	-	-	-	-	-
Taxes and fees collected for other governments	-	-	-	-	-
Child support collections	-	-	-	-	-
Other	3,070,029	80,818	-	-	3,150,847
Total other	3,070,029	80,818	-	-	3,150,847
Total additions	5,297,802,723	498,063	14,384,229	44,086,086	5,356,771,101
Deductions					
Principal redeemed	-	-	-	-	-
Benefit payments	2,805,034,501	421,700	6,594,146	49,969,098	2,862,019,445
Refunds	29,504,997	5,242	-	-	29,510,239
Net position restatement	-	-	-	-	-
Administrative expense	12,398,452	79,954	106,472	-	12,584,878
Payment of taxes and fees to other governments	-	-	-	-	-
Child support payments	-	-	-	-	-
Restitution payments	-	-	-	-	-
Total deductions	2,846,937,950	506,896	6,700,618	49,969,098	2,904,114,562
Change in net position	2,450,864,773	(8,833)	7,683,611	(5,883,012)	2,452,656,539
Net position, July 1	44,284,252,583	4,703,170	133,658,066	231,397	44,422,845,216
Net position restatement	-	-	-	-	-
Net position, July 1 (as restated)	44,284,252,583	4,703,170	133,658,066	231,397	44,422,845,216
Net position, June 30	\$ 46,735,117,356	\$ 4,694,337	\$ 141,341,677	\$ (5,651,615)	\$ 46,875,501,755

(continued)

Investment Trust Funds				Private-Purpose Trust Funds		
Local Government Investment Pool	Nevada Enhanced Savings Term	Retirement Benefits Investment Fund	Total	Prisoners' Personal Property	Nevada College Savings Plan	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	26,715,761	3,111,531,894	3,138,247,655
-	-	-	-	-	-	-
-	-	-	-	26,715,761	3,111,531,894	3,138,247,655
3,458,199	1,233,969	23,973,506	28,665,674	-	(478,002)	(478,002)
28,635,185	2,584,664	12,640,572	43,860,421	-	1,086,743,381	1,086,743,381
-	-	-	-	-	-	-
-	-	-	-	-	-	-
32,093,384	3,818,633	36,614,078	72,526,095	-	1,086,265,379	1,086,265,379
-	-	(80,150)	(80,150)	-	-	-
32,093,384	3,818,633	36,533,928	72,445,945	-	1,086,265,379	1,086,265,379
3,192,040,829	20,500,000	36,219,681	3,248,760,510	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	496	496	-	-	-
3,192,040,829	20,500,000	36,220,177	3,248,761,006	-	-	-
3,224,134,213	24,318,633	72,754,105	3,321,206,951	26,715,761	4,197,797,273	4,224,513,034
2,724,353,069	104,682,396	-	2,829,035,465	-	1,713,377,682	1,713,377,682
-	-	-	-	26,678,611	-	26,678,611
-	-	-	-	-	-	-
-	-	3,221,255	3,221,255	-	-	-
254,173	164,262	71,371	489,806	-	39,473,637	39,473,637
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,724,607,242	104,846,658	3,292,626	2,832,746,526	26,678,611	1,752,851,319	1,779,529,930
499,526,971	(80,528,025)	69,461,479	488,460,425	37,150	2,444,945,954	2,444,983,104
1,259,871,242	121,101,421	532,491,874	1,913,464,537	8,071,904	26,702,844,384	26,710,916,288
-	-	-	-	-	-	-
1,259,871,242	121,101,421	532,491,874	1,913,464,537	8,071,904	26,702,844,384	26,710,916,288
\$ 1,759,398,213	\$ 40,573,396	\$ 601,953,353	\$ 2,401,924,962	\$ 8,109,054	\$ 29,147,790,338	\$ 29,155,899,392

Combining Statement of Changes in Fiduciary Net Position

Pension and Other Employee Benefit Trust, Investment Trust, Private-Purpose Trust and Custodial Funds

For the Fiscal Year Ended June 30, 2020

	Custodial Funds					Total
	Intergovernmental	Motor Vehicle	Child Support Disbursement	Child Welfare Trust	Restitution Trust	
Additions						
<i>Contributions:</i>						
Employer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan members	-	-	-	-	-	-
Participants	-	-	-	-	-	-
Repayment and purchase of service	-	-	-	-	-	-
Total contributions	-	-	-	-	-	-
<i>Investment income:</i>						
Net increase (decrease) in fair value of investments	-	-	-	-	-	-
Interest, dividends	-	-	-	4,150	-	4,150
Securities lending	-	-	-	-	-	-
Other	-	-	-	-	-	-
	-	-	-	4,150	-	4,150
Less investment expense:						
Other	-	-	-	-	-	-
Net investment income	-	-	-	4,150	-	4,150
<i>Other:</i>						
Investment from local governments	-	-	-	-	-	-
Taxes and fees collected for other governments	3,699,184,114	631,296,729	-	-	-	4,330,480,843
Child support collections	-	-	246,965,420	-	-	246,965,420
Other	-	-	-	188,922	2,765,600	2,954,522
Total other	3,699,184,114	631,296,729	246,965,420	188,922	2,765,600	4,580,400,785
Total additions	3,699,184,114	631,296,729	246,965,420	193,072	2,765,600	4,580,404,935
Deductions						
Principal redeemed	-	-	-	-	-	-
Benefit payments	-	-	-	161,827	-	161,827
Refunds	-	-	-	-	-	-
Net position restatement	-	-	-	-	-	-
Administrative expense	-	-	-	-	-	-
Payment of taxes and fees to other governments	3,699,184,114	631,296,729	-	-	-	4,330,480,843
Child support payments	-	-	245,290,174	-	-	245,290,174
Restitution payments	-	-	-	-	2,008,392	2,008,392
Total deductions	3,699,184,114	631,296,729	245,290,174	161,827	2,008,392	4,577,941,236
Change in net position	-	-	1,675,246	31,245	757,208	2,463,699
Net position, July 1	-	-	-	-	-	-
Net position restatement	-	-	3,234,806	96,504	3,008,234	6,339,544
Net position, July 1 (as restated)	-	-	3,234,806	96,504	3,008,234	6,339,544
Net position, June 30	\$ -	\$ -	\$ 4,910,052	\$ 127,749	\$ 3,765,442	\$ 8,803,243

[Information that is not a part of the Financial Statements was on pages 167 to 190, and is not included in this Appendix.]

COMPLIANCE SECTION



**Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

The Honorable Catherine Byrne, CPA
State Controller
Carson City, Nevada

We have audited, in accordance with the 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 governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nevada, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the State of Nevada's basic financial statements, and have issued our report thereon dated May 21, 2021. Our report includes a reference to other auditors who audited the financial statements of the Nevada System of Higher Education, a discretely presented component unit, the Self Insurance and Insurance Premiums Internal Service Funds, the Pension Trust Funds and the Other Employee Benefit Trust Fund – State Retirees' Fund, the Nevada College Savings Plan – Private Purpose Trust Fund, and the Retirement Benefits Investment Fund – Investment Trust Fund, as described in our report on the State of Nevada'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 some of those auditors. The financial statements of the Pension Trust Funds, the Insurance Premiums Internal Service Fund and the Retirement Benefits Investment Fund were not audited in accordance with *Government Auditing Standards*.

Our report qualifies the opinion on the government-wide governmental activities and general fund because the State was unable to determine an amount that should have been recorded for donated personal protective equipment inventory. In addition, our report qualifies the opinion on the highway fund because the State was unable to determine an amount that should have been recorded for stockpile inventory.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the State of Nevada's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial

What inspires you, inspires us. Let's talk. | eidebailly.com

5441 Kietzke Ln., Ste. 150 | Reno, NV 89511-2094 | T 775.689.9100 | F 775.689.9299 | EOE

statements, but not for the purpose of expressing an opinion on the effectiveness of the State of Nevada's internal control. Accordingly, we do not express an opinion on the effectiveness of the State of Nevada'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as findings 2020-001, 2020-002, 2020-003, 2020-004, 2020-005, 2020-006, 2020-007, 2020-008, and 2020-009 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of Nevada's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

The State of Nevada's Response to Findings

The State of Nevada's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The State of Nevada's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 State of Nevada'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 State of Nevada's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Reno, Nevada
May 21, 2021

**STATE OF NEVADA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2020**

Findings Relating to the Financial Statements Reported in Accordance with GAGAS:

**2020-001: Unemployment Fraudulent Benefit Payments
Material Weakness**

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Internal controls should be designed, implemented and maintained to ensure the reliability of financial reporting and to prevent and detect fraud. The Department of Employment, Training, and Rehabilitation (DETR) is primarily responsible for the implementation of these controls in relation to the Unemployment Compensation Enterprise Fund.

Condition: Fraudulent unemployment benefit payments were paid.

Cause: DETR did not have the staffing levels, information system data analytic controls, and manual internal controls in place to handle the significant surge in unemployment claims as a result of the COVID-19 pandemic and the new programs implemented by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

Effect: At this time, the ultimate effect and total fraudulent payments cannot be estimated. However, initial estimates made by management believe that at least \$310.4 million in potentially fraudulent payments were processed. Of this amount, \$87.4 million were recovered by DETR's third party processor. The ultimate recovery of fraudulent payments is unknown and the amount cannot be estimated due to the volume of cases, sophistication of the fraudsters, and resources available to investigate. However, the investigative and recovery efforts are ongoing.

Recommendation: We recommend DETR work with the federal agencies involved in the unemployment fraud task force to identify and attempt recovery of fraudulent payments.

In addition, we further recommend that DETR improve information system internal controls to enhance data analytics as well as manual internal controls to better detect and prevent fraud.

*Views of Responsible
Officials:*

Management agrees with this finding.

**STATE OF NEVADA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2020**

Findings Relating to the Financial Statements Reported in Accordance with GAGAS:

**2020-002: Unemployment Financial Close and Reporting
Material Weakness**

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Accurate and timely reconciliation and review of accounts on the Statement of Fund Net Position is an important aspect of internal control.

Condition: Adjustments were needed in cash, accounts receivable, benefits payable, intergovernmental payables, and beginning net position (as well as related expense and revenue accounts). These accounts were not timely reconciled to the underlying support and thus required significant adjustment.

Cause: The Department of Employment, Training, and Rehabilitation (DETR) did not have internal controls to provide for the appropriate and timely review of the general ledger as part of its financial close process.

Effect: Prior to initial adjustment, cash balances were overstated by approximately \$328.8 million, receivables were understated by approximately \$648.6 million, payables were understated by approximately \$226.2 million, and beginning net position was overstated by approximately \$1.9 million. Related expenses and revenue accounts were adjusted accordingly. Subsequent to the initial adjustment, adjustments were recorded for an additional understatement of \$341.0 million in receivables and an understatement of \$305.2 million in payables with related expenses and revenue accounts adjusted accordingly.

Recommendation: We recommend DETR implement internal controls to provide for the appropriate and timely review of the general ledger as part of its financial close process.

Views of Responsible Officials: Management agrees with this finding.

**STATE OF NEVADA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2020**

Findings Relating to the Financial Statements Reported in Accordance with GAGAS:

**2020-004: Highway Fund – Inventory Balance, Accounts Receivable, Accounts Payable
and Unavailable Revenue
Material Weakness**

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Proper recording of inventory, accounts receivable, accounts payable, and unavailable revenue are key components of effective internal control over financial reporting.

Condition: Physical inventory counts are performed during the months of April and May each year; however, there are no roll-forward procedures in place to determine what the year-end inventory balance should be as of June 30th. Inventory reports used to record the inventory balance stockpile by locations throughout the State of Nevada did not agree to the balance recorded by the Nevada Department of Transportation (NDOT). In addition, during our audit procedures the invoices provided to support inventory pricing significantly varied from the unit prices used in the inventory balance.

During our audit procedures, we became aware of an accounts payable transaction that was not recorded in the appropriate accounting period.

In addition, we became aware of accounts receivable and unavailable revenue transactions that were written off and improperly reflected in the accounts receivable and unavailable revenue balances.

Cause: The internal controls in place did not ensure that inventory was recorded accurately.

The internal controls in place did not ensure that payments made after year-end were recorded in the accounting period in which the services were provided.

In addition, the internal controls in place did not ensure that bad debt write-offs were accurately reflected in accounts receivable and unavailable revenue.

**STATE OF NEVADA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2020**

Findings Relating to the Financial Statements Reported in Accordance with GAGAS:

<i>Effect:</i>	<p>The effect cannot be quantified as there were insufficient records in place to reasonably estimate year-end inventory balance.</p> <p>Accounts payable was understated by \$504,641. In addition, accounts receivable and unavailable revenue were overstated by \$1,771,505.</p>
<i>Recommendation:</i>	<p>We recommend the State of Nevada enhance internal controls, policies, and procedures to provide for the appropriate observation, valuation, and recording of inventory and related expenditures.</p> <p>We recommend the State of Nevada enhance internal controls over the recording of accounts receivable, accounts payable, and unavailable revenue.</p>
<i>Views of Responsible Officials:</i>	<p>Management partially agrees with this finding.</p>

**STATE OF NEVADA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2020**

Findings Relating to the Financial Statements Reported in Accordance with GAGAS:

**2020-006: CIP - Infrastructure
Material Weakness**

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Proper recording of CIP - infrastructure additions is a key component of effective internal control over financial reporting.

Condition: During our audit procedures we became aware of CIP - infrastructure transfers that were not recorded in the proper accounting period.

Cause: Internal controls in place did not ensure that CIP - infrastructure transfers in/out were accurately recorded in the proper accounting period.

Effect: CIP – Infrastructure was understated by \$16,160,342.

Recommendation: We recommend the State of Nevada enhance internal controls to ensure CIP additions are properly recorded.

Views of Responsible Officials: Management agrees with this finding.

**STATE OF NEVADA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2020**

Findings Relating to the Financial Statements Reported in Accordance with GAGAS:

**2020-007: Non-Cash Inventory – Personal Protective Equipment (PPE)
Material Weakness**

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Accurate and timely recording of non-cash inventory is a key component of effective internal control over financial reporting.

Condition: During the height of the COVID-19 pandemic, the State of Nevada received non-cash donations of PPE from federal and private donors. The State of Nevada did not have internal controls in place to properly track, maintain, and record the quantity and value of the receipt or distribution of PPE.

Cause: Internal controls in place did not ensure that PPE provided by public and private donations were accurately tracked, maintained, and recorded.

Effect: The amount is unknown.

Recommendation: We recommend the State of Nevada enhance internal controls to ensure public and private donations are accurately recorded and that an inventory of PPE be performed as of June 30, 2021 and annually going forward as needed.

Views of Responsible Officials: Management partially agrees with this finding.

**STATE OF NEVADA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2020**

Findings Relating to the Financial Statements Reported in Accordance with GAGAS:

**2020-009: Prior Period Adjustment of OPEB Implicit Subsidy
Material Weakness**

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Proper reporting of the OPEB implicit subsidy is a key component of effective internal control over financial reporting.

Condition: A prior period adjustment of \$6,797,371 was required to correct the deferred outflow of resources - OPEB implicit subsidy which was understated in the fiscal year 2019 financial statements.

Cause: Internal controls in place did not ensure that the deferred outflow of resources – OPEB implicit subsidy was recorded accurately.

Effect: In fiscal year 2019, the deferred outflow of resources – OPEB implicit subsidy was understated by \$6,797,371.

Recommendation: We recommend the State of Nevada enhance internal controls to ensure actuarial calculations provided to the State of Nevada are reviewed and accurately recorded.

Views of Responsible Officials: Management agrees with this finding.

OUR THANKS AND APPRECIATION TO THE FOLLOWING FOR THEIR HELP:

PREPARED BY:

Office of the Nevada State Controller

FINANCIAL REPORTING SECTION:

Gisele Geary, CAFR Accountant II

Brenda Laird, CPA, CAFR Accountant II

Lisa Broussard, CAFR Accountant I

Ann Conlin, CAFR Accountant I

Jocelyn Holly, CAFR Accountant

Nathan Palani, CPA, CAFR Accountant I

Siri Schwarz, CAFR Accountant I

Jinat Ferdaus, Accountant III

Rachel McFarland, Accountant III

GRAPHIC DESIGN AND LAYOUT BY:

Suzanne Anderson, Management Analyst I

SPECIAL THANKS FOR USE OF DIGITAL IMAGES AND ILLUSTRATIONS TO:

Nevada Department of Tourism and Cultural Affairs

nvculture.org

Nevada Division of Museums and History

mvmuseums.org

Nevada Department of Wildlife

ndow.org

Department of Conservation and Natural Resources, Nevada State Parks

parks.nv.gov

PRINTED BY:

Nevada State Printing Office

ADDITIONAL COPIES OF THIS REPORT MAY BE OBTAINED BY CONTACTING:

Office of the Nevada State Controller

101 North Carson Street, Suite 5

Carson City, NV 89701-4786

Or on our website at: **controller.nv.gov**

DON'T
FENCE
ME
IN

PART II

APPENDIX B

**STATE OF NEVADA HISTORY OF GENERAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES**

[THIS PAGE INTENTIONALLY LEFT BLANK]

**STATE OF NEVADA HISTORY OF GENERAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
(DOLLAR AMOUNTS IN THOUSANDS)**

Revenues:	2016	2017	2018	2019	2020
Gaming taxes, fees, licenses	\$896,768	\$884,599	\$849,965	\$941,144	\$856,817
Sales taxes	1,214,113	1,282,745	1,337,930	1,465,518	1,493,718
Intergovernmental	4,358,112	4,727,482	4,867,647	5,246,960	5,273,127
Other taxes	1,745,075	1,901,253	2,034,732	2,179,148	2,129,808
Licenses, fees and permits	353,306	359,686	383,914	388,527	379,279
Sales and charges for services	72,635	71,813	67,368	70,008	67,688
Interest and investment income	8,445	2,820	9,593	44,987	49,745
Other	61,293	116,252	58,990	74,888	58,742
Total Revenues	8,709,747	9,346,650	9,610,139	10,411,180	10,308,924
Expenditures:					
Current					
General government	127,247	139,990	177,106	205,310	198,363
Health and social services ²					
Health services ²	3,535,985	3,948,218	4,132,487	4,397,082	4,269,152
Social services ²	1,510,685	1,545,419	1,592,241	1,635,930	1,774,593
Education - K to 12 ³					
Education - K to 12 state support ³	1,460,123	1,478,773	1,612,584	1,595,968	1,803,605
Education - K to 12 administrative ³	524,747	588,991	562,281	602,009	633,393
Education - higher education	549,228	583,819	645,297	677,048	667,274
Law, justice and public safety	473,774	498,523	530,498	559,392	588,164
Regulation of business	276,859	274,436	292,615	310,440	289,108
Recreation & resource development	115,882	130,315	146,621	156,949	163,566
Debt service:					
Principal	2,199	2,415	2,727	2,933	2,888
Interest, fiscal charges	1,154	1,049	849	727	598
Debt issuance costs	15	38	141	9	-
Arbitrage payments					
Total Expenditures	8,577,898	9,191,986	9,695,447	10,143,797	10,390,704
Excess (deficiency) of revenues over expenditures	131,849	154,664	(85,308)	267,383	(81,780)
Other financing sources (uses):					
Capital leases					
Sales of bonds	1,805	1,929	7,940	975	-
Premium on bonds	218	108	949	39	-
Payment to Refunded bond agency	-	-	(3,996)	-	-
Sale of capital assets	632	167	617	123	96
Transfers in	89,697	96,242	109,529	120,269	128,587
Transfers out	(29,241)	(94,585)	(15,864)	(127,848)	(50,797)
Total other financing sources (uses)	63,111	3,861	99,175	(6,442)	77,886
Net change in fund balances	194,960	158,525	13,867	260,941	(3,894)
Fund balances, July 1 (as restated)	203,202 ⁽¹⁾	398,162	533,879 ⁽¹⁾	547,746	808,687
Fund balances June 30	\$398,162	\$556,687	\$547,746	\$808,687	\$804,793

⁽¹⁾ Fund Balance in the General Fund was restated in FY 2016 due to the allocation of investment loss; and in FY 2018 due to the understatement of Medicaid IBNR and the related federal requirements in FY 2017.

⁽²⁾ Beginning with FY 2016, Social services expenditures are reported separately from Health services.

⁽³⁾ Beginning with FY 2016, educational expenditures are reported separately for K-12 administrative and K-12 state support.

Source: State of Nevada, Annual Comprehensive Financial Reports, 2016-2020.

[THIS PAGE INTENTIONALLY LEFT BLANK]

PART II

APPENDIX C

**MAY 1, 2021 ECONOMIC FORUM FORECAST
ADJUSTED FOR 2021 LEGISLATIVE ACTIONS AND COURT DECISIONS**

[THIS PAGE INTENTIONALLY LEFT BLANK]

GENERAL FUND REVENUES - ECONOMIC FORUM MAY 4, 2021, FORECAST
ACTUAL: FY 2018 THROUGH FY 2020 AND FORECAST: FY 2021 THROUGH FY 2023
ECONOMIC FORUM'S FORECAST FOR FY 2021, FY 2022, AND FY 2023 APPROVED AT THE MAY 4, 2021, MEETING
ADJUSTED FOR ACTIONS APPROVED BY THE LEGISLATURE IN THE 2021 REGULAR SESSION (81ST SESSION) AND COURT DECISIONS

DESCRIPTION	FY 2018 ACTUAL	%	FY 2019 ACTUAL	%	FY 2020 ACTUAL	%	ECONOMIC FORUM MAY 4, 2021, FORECAST					
							FY 2021 FORECAST	% Change	FY 2022 FORECAST	% Change	FY 2023 FORECAST	% Change
TAXES												
MINING TAX												
3064 Net Proceeds of Minerals [1-21][1-24]	\$63,522,196	151.5%	\$50,336,904	-20.8%	\$57,157,296	13.5%	\$177,744,000	211.0%	\$76,026,000	-57.2%	\$71,067,000	-6.5%
3245 Centrally Assessed Penalties	\$1		\$17,164		\$1,684		\$14,100		\$0		\$0	
Mining Gross Revenue Tax - Gold and Silver [3-22]									<u>\$83,802,000</u>		<u>\$80,996,000</u>	
TOTAL MINING TAXES AND FEES	<u>\$63,522,196</u>	<u>151.4%</u>	<u>\$50,354,067</u>	<u>-20.7%</u>	<u>\$57,158,980</u>	<u>13.5%</u>	<u>\$177,758,100</u>	<u>211.0%</u>	<u>\$159,828,000</u>	<u>-10.1%</u>	<u>\$152,063,000</u>	<u>-4.9%</u>
SALES AND USE												
3001 Sales & Use Tax [1-19][1-20][4-22]	\$1,142,799,766	4.8%	\$1,235,124,279	8.1%	\$1,214,701,336	-1.7%	\$1,242,518,000	2.3%	\$1,301,969,000	4.8%	\$1,385,023,000	6.4%
3002 State Share - LSST [1-19][1-20][4-22]	\$11,091,996	4.6%	\$11,937,036	7.6%	\$11,770,188	-1.4%	\$12,115,000	2.9%	\$12,694,000	4.8%	\$13,504,000	6.4%
3003 State Share - BCCRT [1-19][1-20][4-22]	\$4,996,610	5.6%	\$5,318,926	6.5%	\$5,254,882	-1.2%	\$5,436,000	3.4%	\$5,696,000	4.8%	\$6,059,000	6.4%
3004 State Share - SCCRT [1-19][1-20][4-22]	\$17,481,048	5.6%	\$18,611,557	6.5%	\$18,387,225	-1.2%	\$19,026,000	3.5%	\$19,936,000	4.8%	\$21,208,000	6.4%
3005 State Share - PTT [1-19][1-20][4-22]	\$12,857,082	15.5%	\$13,704,137	6.6%	\$13,825,825	0.9%	\$14,306,000	3.5%	\$14,990,000	4.8%	\$15,946,000	6.4%
TOTAL SALES AND USE	<u>\$1,189,226,502</u>	<u>4.9%</u>	<u>\$1,284,695,935</u>	<u>8.0%</u>	<u>\$1,263,939,457</u>	<u>-1.6%</u>	<u>\$1,293,401,000</u>	<u>2.3%</u>	<u>\$1,355,285,000</u>	<u>4.8%</u>	<u>\$1,441,740,000</u>	<u>6.4%</u>
GAMING - STATE												
3041 Percent Fees - Gross Revenue: <u>Before Tax Credits</u>	\$757,790,502	3.7%	\$752,165,675	-0.7%	\$619,269,825	-17.7%	\$633,082,000	2.2%	\$709,309,000	12.0%	\$766,242,000	8.0%
<u>Tax Credit Programs:</u>												
Film Transferrable Tax Credits [TC-1]	\$0		-\$1,519,656		-\$337,637		\$0		\$0		\$0	
Economic Development Transferrable Tax Credits [TC-2]	-\$73,831,822		-\$41,943,604		-\$21,912,501		\$0		\$0		\$0	
Catalyst Account Transferrable Tax Credits [TC-4]	-\$355,000		\$0		-\$300,000		\$0		\$0		\$0	
Affordable Housing Transferrable Tax Credits [TC-7]	\$0		\$0		\$0		\$0		\$0		\$0	
Total - Tax Credit Programs	-\$74,186,822		-\$43,463,260		-\$22,550,138		\$0		\$0		\$0	
Percent Fees - Gross Revenue: <u>After Tax Credits</u>	\$683,603,680	-0.7%	\$708,702,415	3.7%	\$596,719,687	-15.8%	\$633,082,000	6.1%	\$709,309,000	12.0%	\$766,242,000	8.0%
3032 Pari-mutuel Tax	\$3,200	-6.0%	\$3,228	0.9%	\$3,379	4.7%	\$0	-100.0%	\$3,400		\$3,500	2.9%
3181 Racing Fees	\$8,723	-12.2%	\$7,459	-14.5%	\$9,286	24.5%	\$0	-100.0%	\$9,300		\$9,500	2.2%
3247 Racing Fines/Forfeitures	\$0		\$500		\$0		\$0		\$0		\$0	
3042 Gaming Penalties	\$415,429	-80.7%	\$22,214,808	5247.4%	\$176,184	-99.2%	\$665,000	277.4%	\$700,000	5.3%	\$700,000	0.0%
3043 Flat Fees-Restricted Slots [2-20]	\$8,270,489	1.2%	\$8,317,777	0.6%	\$8,073,138	-2.9%	\$7,668,000	-5.0%	\$8,458,000	10.3%	\$8,462,000	0.0%
3044 Non-Restricted Slots [2-20]	\$10,496,064	-1.4%	\$10,416,168	-0.8%	\$10,223,380	-1.9%	\$9,618,000	-5.9%	\$9,831,000	2.2%	\$10,292,000	4.7%
3045 Quarterly Fees-Games	\$6,390,520	-0.8%	\$6,266,332	-1.9%	\$5,439,293	-13.2%	\$5,470,000	0.6%	\$5,710,000	4.4%	\$6,068,000	6.3%
3046 Advance License Fees	\$1,000,375	-4.1%	\$1,434,605	43.4%	\$1,173,154	-18.2%	\$3,110,000	165.1%	\$4,141,000	33.2%	\$600,000	-85.5%
3048 Slot Machine Route Operator	\$32,000	-4.5%	\$32,000	0.0%	\$32,000	0.0%	\$30,000	-6.3%	\$31,500	5.0%	\$31,500	0.0%
3049 Gaming Info Systems Annual	\$36,000	0.0%	\$30,000	-16.7%	\$42,000	40.0%	\$30,000	-28.6%	\$30,000	0.0%	\$30,000	0.0%
3028 Interactive Gaming Fee - Operator	\$500,000	0.0%	\$500,000	0.0%	\$500,000	0.0%	\$500,000	0.0%	\$500,000	0.0%	\$500,000	0.0%
3029 Interactive Gaming Fee - Service Provider	\$56,000	1.8%	\$53,000	-5.4%	\$13,000	-75.5%	\$12,000	-7.7%	\$13,000	8.3%	\$14,000	7.7%
3030 Interactive Gaming Fee - Manufacturer	\$100,000	0.0%	\$100,000	0.0%	\$75,000	-25.0%	\$75,000	0.0%	\$75,000	0.0%	\$75,000	0.0%
3033 Equip Mfg. License	\$291,520	6.0%	\$291,480	0.0%	\$286,510	-1.7%	\$289,500	1.0%	\$290,500	0.3%	\$292,000	0.5%
3034 Race Wire License	\$4,439	-63.3%	\$3,977	-10.4%	\$5,059	27.2%	\$2,100	-58.5%	\$3,200	52.4%	\$4,300	34.4%
3035 Annual Fees on Games	\$119,782	-1.2%	\$114,088	-4.8%	\$132,153	15.8%	\$151,900	14.9%	\$114,800	-24.4%	\$110,900	-3.4%
TOTAL GAMING - STATE: <u>BEFORE TAX CREDITS</u>	<u>\$785,515,041</u>	<u>3.3%</u>	<u>\$801,951,098</u>	<u>2.1%</u>	<u>\$645,453,361</u>	<u>-19.5%</u>	<u>\$660,703,500</u>	<u>2.4%</u>	<u>\$739,219,700</u>	<u>11.9%</u>	<u>\$793,434,700</u>	<u>7.3%</u>
<u>Tax Credit Programs</u>												
TOTAL GAMING - STATE: <u>AFTER TAX CREDITS</u>	<u>\$711,328,219</u>	<u>-0.9%</u>	<u>\$758,487,838</u>	<u>6.6%</u>	<u>\$622,903,223</u>	<u>-17.9%</u>	<u>\$660,703,500</u>	<u>6.1%</u>	<u>\$739,219,700</u>	<u>11.9%</u>	<u>\$793,434,700</u>	<u>7.3%</u>
LIVE ENTERTAINMENT TAX (LET)												
3031G Live Entertainment Tax-Gaming [5-22]	\$100,863,918	-1.4%	\$105,613,998	4.7%	\$72,175,787	-31.7%	\$3,729,000	-94.8%	\$45,450,000	1118.8%	\$94,831,000	108.6%
3031NG Live Entertainment Tax-Nongaming [5-22]	\$24,544,887	-9.0%	\$25,642,344	4.5%	\$19,159,947	-25.3%	\$1,450,000	-92.4%	\$16,000,000	1003.4%	\$23,666,000	47.9%
TOTAL LET	<u>\$125,408,805</u>	<u>-3.0%</u>	<u>\$131,256,342</u>	<u>4.7%</u>	<u>\$91,335,734</u>	<u>-30.4%</u>	<u>\$5,179,000</u>	<u>-94.3%</u>	<u>\$61,450,000</u>	<u>1086.5%</u>	<u>\$118,497,000</u>	<u>92.8%</u>
COMMERCE TAX												
Commerce Tax	\$201,926,513	2.1%	\$226,770,333	12.3%	\$204,983,790	-9.6%	\$224,353,000	9.4%	\$228,516,000	1.9%	\$242,314,000	6.0%
TRANSPORTATION CONNECTION EXCISE TAX												
Transportation Connection Excise Tax	\$21,773,229	-5.7%	\$30,216,771	38.8%	\$19,868,720	-34.2%	\$15,302,000	-23.0%	\$17,594,000	15.0%	\$29,266,000	66.3%
CIGARETTE TAX												
3052 Cigarette Tax [3-20]	\$160,664,759	-11.1%	\$164,392,540	2.3%	\$156,694,742	-4.7%	\$149,659,000	-4.5%	\$145,743,000	-2.6%	\$141,549,000	-2.9%

GENERAL FUND REVENUES - ECONOMIC FORUM MAY 4, 2021, FORECAST
ACTUAL: FY 2018 THROUGH FY 2020 AND FORECAST: FY 2021 THROUGH FY 2023
ECONOMIC FORUM'S FORECAST FOR FY 2021, FY 2022, AND FY 2023 APPROVED AT THE MAY 4, 2021, MEETING
ADJUSTED FOR ACTIONS APPROVED BY THE LEGISLATURE IN THE 2021 REGULAR SESSION (81ST SESSION) AND COURT DECISIONS

DESCRIPTION	FY 2018		FY 2019		FY 2020		ECONOMIC FORUM MAY 4, 2021, FORECAST					
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2021 FORECAST	% Change	FY 2022 FORECAST	% Change	FY 2023 FORECAST	% Change
TAXES - CONTINUED												
MODIFIED BUSINESS TAX (MBT)												
MBT - NONFINANCIAL BUSINESSES (MBT-NFI) [4-20][6-22]												
3069 MBT - Nonfinancial: <u>Before Tax Credits</u>	\$604,038,466	5.3%	\$644,970,150	6.8%	\$646,338,474	0.2%	\$579,691,000	-10.3%	\$641,875,000	10.7%	\$685,272,000	6.8%
Commerce Tax Credits	<u>-\$57,111,521</u>		<u>-\$44,539,863</u>		<u>-\$49,894,345</u>							
MBT - Nonfinancial: <u>After Commerce Tax Credits</u>	\$546,926,945	3.1%	\$600,430,287	9.8%	\$596,444,129	-0.7%	\$579,691,000	-2.8%	\$641,875,000	10.7%	\$685,272,000	6.8%
<u>Tax Credit Programs:</u>												
Film Transferrable Tax Credits [TC-1]	\$0		\$0		\$0		\$0		\$0		\$0	
Economic Development Transferrable Tax Credits [TC-2]	\$0		\$0		\$0		\$0		\$0		\$0	
Catalyst Account Transferrable Tax Credits [TC-4]	\$0		\$0		\$0		\$0		\$0		\$0	
Education Choice Scholarship Tax Credits [TC-5]	-\$15,925,154		-\$12,064,773		-\$11,069,828		\$0		\$0		\$0	
College Savings Plan Tax Credits [TC-6]	\$0		-\$731		\$0		\$0		\$0		\$0	
Affordable Housing Transferrable Tax Credits [TC-7]	\$0		\$0		\$0		\$0		\$0		\$0	
Total - Tax Credit Programs	<u>-\$15,925,154</u>		<u>-\$12,065,504</u>		<u>-\$11,069,828</u>		\$0		\$0		\$0	
MBT - Nonfinancial: <u>After Tax Credit Programs</u>	<u>\$531,001,790</u>	<u>1.0%</u>	<u>\$588,364,782</u>	<u>10.8%</u>	<u>\$585,374,301</u>	<u>-0.5%</u>	<u>\$579,691,000</u>	<u>-1.0%</u>	<u>\$641,875,000</u>	<u>10.7%</u>	<u>\$685,272,000</u>	<u>6.8%</u>
MBT - FINANCIAL BUSINESSES (MBT-FI) [4-20][6-22]												
3069 MBT - Financial: <u>Before Tax Credits</u>	\$29,088,764	4.2%	\$29,919,524	2.9%	\$35,412,610	18.4%	\$39,553,000	11.7%	\$41,734,000	5.5%	\$45,843,000	9.8%
Commerce Tax Credits	<u>-\$633,954</u>		<u>-\$329,401</u>		<u>-\$875,623</u>							
MBT - Financial: <u>After Commerce Tax Credits</u>	\$28,454,810	3.6%	\$29,590,123	4.0%	\$34,536,987	16.7%	\$39,553,000	14.5%	\$41,734,000	5.5%	\$45,843,000	9.8%
<u>Tax Credit Programs:</u>												
Film Transferrable Tax Credits [TC-1]	\$0		\$0		\$0		\$0		\$0		\$0	
Economic Development Transferrable Tax Credits [TC-2]	\$0		\$0		\$0		\$0		\$0		\$0	
Catalyst Account Transferrable Tax Credits [TC-4]	\$0		\$0		\$0		\$0		\$0		\$0	
Education Choice Scholarship Tax Credits [TC-5]	-\$50,000		\$0		-\$230,000		\$0		\$0		\$0	
College Savings Plan Tax Credits [TC-6]	\$0		\$0		\$0		\$0		\$0		\$0	
Affordable Housing Transferrable Tax Credits [TC-7]	\$0		\$0		\$0		\$0		\$0		\$0	
Total - Tax Credit Programs	<u>-\$50,000</u>		<u>\$0</u>		<u>-\$230,000</u>		\$0		\$0		\$0	
MBT - Financial: <u>After Tax Credit Programs</u>	<u>\$28,404,810</u>	<u>3.6%</u>	<u>\$29,590,123</u>	<u>4.2%</u>	<u>\$34,306,987</u>	<u>15.9%</u>	<u>\$39,553,000</u>	<u>15.3%</u>	<u>\$41,734,000</u>	<u>5.5%</u>	<u>\$45,843,000</u>	<u>9.8%</u>
MBT - MINING BUSINESSES (MBT-MINING) [4-20][6-22]												
3069 MBT - Mining: <u>Before Tax Credits</u>	\$22,508,221	1.6%	\$22,520,260	0.1%	\$22,992,626	2.1%	\$19,612,000	-14.7%	\$21,910,000	11.7%	\$22,491,000	2.7%
Commerce Tax Credits	<u>-\$71,092</u>		<u>-\$100,486</u>		<u>-\$70,648</u>							
MBT - Mining: <u>After Commerce Tax Credits</u>	\$22,437,129	1.5%	\$22,419,773	-0.1%	\$22,921,979	2.2%	\$19,612,000	-14.4%	\$21,910,000	11.7%	\$22,491,000	2.7%
<u>Tax Credit Programs:</u>												
Film Transferrable Tax Credits [TC-1]	\$0		\$0		\$0		\$0		\$0		\$0	
Economic Development Transferrable Tax Credits [TC-2]	\$0		\$0		\$0		\$0		\$0		\$0	
Catalyst Account Transferrable Tax Credits [TC-4]	\$0		\$0		\$0		\$0		\$0		\$0	
Education Choice Scholarship Tax Credits [TC-5]	\$0		\$0		\$0		\$0		\$0		\$0	
College Savings Plan Tax Credits [TC-6]	\$0		\$0		\$0		\$0		\$0		\$0	
Affordable Housing Transferrable Tax Credits [TC-7]	\$0		\$0		\$0		\$0		\$0		\$0	
Total - Tax Credit Programs	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>		<u>\$0</u>		<u>\$0</u>		<u>\$0</u>	
MBT - Mining - <u>After Tax Credit Programs</u>	<u>\$22,437,129</u>	<u>1.5%</u>	<u>\$22,419,773</u>	<u>-0.1%</u>	<u>\$22,921,979</u>	<u>2.2%</u>	<u>\$19,612,000</u>	<u>-14.4%</u>	<u>\$21,910,000</u>	<u>11.7%</u>	<u>\$22,491,000</u>	<u>2.7%</u>

GENERAL FUND REVENUES - ECONOMIC FORUM MAY 4, 2021, FORECAST
ACTUAL: FY 2018 THROUGH FY 2020 AND FORECAST: FY 2021 THROUGH FY 2023
ECONOMIC FORUM'S FORECAST FOR FY 2021, FY 2022, AND FY 2023 APPROVED AT THE MAY 4, 2021, MEETING
ADJUSTED FOR ACTIONS APPROVED BY THE LEGISLATURE IN THE 2021 REGULAR SESSION (81ST SESSION) AND COURT DECISIONS

DESCRIPTION	FY 2018		FY 2019		FY 2020		ECONOMIC FORUM MAY 4, 2021, FORECAST					
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2021 FORECAST	% Change	FY 2022 FORECAST	% Change	FY 2023 FORECAST	% Change
TAXES - CONTINUED												
TOTAL MBT - NFL FI. & MINING												
TOTAL MBT: BEFORE TAX CREDITS	\$655,635,451	5.1%	\$697,409,933	6.4%	\$704,743,710	1.1%	\$638,856,000	-9.3%	\$705,519,000	10.4%	\$753,606,000	6.8%
TOTAL COMMERCE TAX CREDITS	-\$57,816,568		-\$44,969,750		-\$50,840,616		-\$44,041,000		-\$44,611,000		-\$47,632,000	
TOTAL MBT: AFTER COMMERCE TAX CREDITS	\$597,818,883	3.1%	\$652,440,183	9.1%	\$653,903,094	0.2%	\$594,815,000	-9.0%	\$660,908,000	11.1%	\$705,974,000	6.8%
Tax Credit Programs:												
Film Transferrable Tax Credits [TC-1]	\$0		\$0		\$0		\$0		\$0		\$0	
Economic Development Transferrable Tax Credits [TC-2]	\$0		\$0		\$0		\$0		\$0		\$0	
Catalyst Account Transferrable Tax Credits [TC-4]	\$0		\$0		\$0		\$0		\$0		\$0	
Education Choice Scholarship Tax Credits [TC-5]	-\$15,975,154		-\$12,064,773		-\$11,299,828		-\$9,474,000		-\$11,400,000		-\$11,400,000	
College Savings Plan Tax Credits [TC-6]	\$0		-\$731		\$0		\$0		\$0		\$0	
Affordable Housing Transferrable Tax Credits [TC-7]	\$0		\$0		\$0		\$0		\$0		\$0	
Total - Tax Credit Programs	-\$15,975,154		-\$12,065,504		-\$11,299,828		-\$9,474,000		-\$11,400,000		-\$11,400,000	
TOTAL MBT: AFTER TAX CREDIT PROGRAMS	\$581,843,729	1.1%	\$640,374,679	10.1%	\$642,603,266	0.3%	\$585,341,000	-8.9%	\$649,508,000	11.0%	\$694,574,000	6.9%
INSURANCE TAXES												
3061 Insurance Premium Tax: Before Tax Credits	\$417,497,362	8.8%	\$442,123,385	5.9%	\$458,514,238	3.7%	\$477,449,000	4.1%	\$498,494,000	4.4%	\$525,300,000	5.4%
Tax Credit Programs:												
Film Transferrable Tax Credits [TC-1]	\$0		\$0		\$0		\$0		\$0		\$0	
Economic Development Transferrable Tax Credits [TC-2]	\$0		\$0		\$0		\$0		\$0		\$0	
Catalyst Account Transferrable Tax Credits [TC-4]	\$0		\$0		\$0		\$0		\$0		\$0	
Nevada New Markets Job Act Tax Credits [TC-3]	-\$23,234,613		-\$19,610,979		-\$7,775,281		-\$1,809,713		-\$24,000,000		-\$24,000,000	
Affordable Housing Transferrable Tax Credits [TC-7]	\$0		\$0		\$0		\$0		\$0		\$0	
Total - Tax Credit Programs	-\$23,234,613		-\$19,610,979		-\$7,775,281		-\$1,809,713		-\$24,000,000		-\$24,000,000	
Insurance Premium Tax: After Tax Credit Programs	\$394,262,749	10.0%	\$422,512,406	7.2%	\$450,738,957	6.7%	\$475,639,287	5.5%	\$474,494,000	-0.2%	\$501,300,000	5.6%
3062 Insurance Retailatory Tax	\$170,507	-5.7%	\$309,525	81.5%	\$378,126	22.2%	\$366,900	-3.0%	\$346,900	-5.5%	\$346,900	0.0%
3067 Captive Insurer Premium Tax	\$1,267,234	17.6%	\$1,266,281	-0.1%	\$1,244,273	-1.7%	\$1,252,000	0.6%	\$1,277,000	2.0%	\$1,305,000	2.2%
TOTAL INSURANCE TAXES: BEFORE TAX CREDITS	\$418,935,102	8.8%	\$443,699,191	5.9%	\$460,136,638	3.7%	\$479,067,900	4.1%	\$500,117,900	4.4%	\$526,951,900	5.4%
TAX CREDIT PROGRAMS	-\$23,234,613		-\$19,610,979		-\$7,775,281		-\$1,809,713		-\$24,000,000		-\$24,000,000	
TOTAL INSURANCE TAXES: AFTER TAX CREDITS	\$395,700,489	10.0%	\$424,088,212	7.2%	\$452,361,356	6.7%	\$477,258,187	5.5%	\$476,117,900	-0.2%	\$502,951,900	5.6%
REAL PROPERTY TRANSFER TAX (RPTT)												
3055 Real Property Transfer Tax	\$103,390,400	23.1%	\$101,045,306	-2.3%	\$100,266,873	-0.8%	\$124,188,000	23.9%	\$125,739,000	1.2%	\$122,521,000	-2.6%
GOVERNMENTAL SERVICES TAX (GST)												
3051 Governmental Services Tax [2-18][5-20][2-21]	\$20,252,358	-47.5%	\$21,489,134	6.1%	\$21,307,879	-0.8%	\$100,822,000	373.2%	\$25,556,000	-74.7%	\$26,174,000	2.4%
OTHER TAXES												
3113 Business License Fee	\$109,297,773	4.2%	\$110,336,678	1.0%	\$103,062,659	-6.6%	\$109,440,000	6.2%	\$109,478,000	0.0%	\$111,255,000	1.6%
3050 Liquor Tax	\$44,194,634	0.7%	\$44,790,598	1.3%	\$42,312,940	-5.5%	\$40,379,000	-4.6%	\$42,635,000	5.6%	\$44,118,000	3.5%
3053 Other Tobacco Tax [6-20]	\$16,496,006	12.3%	\$18,099,022	9.7%	\$23,200,047	28.2%	\$31,165,000	34.3%	\$32,494,000	4.3%	\$34,190,000	5.2%
4862 HECC Transfer	\$5,000,000	0.0%	\$5,000,000	0.0%	\$5,000,000	0.0%	\$5,000,000	0.0%	\$5,000,000	0.0%	\$5,000,000	0.0%
3068 Branch Bank Excise Tax	\$2,745,343	-1.4%	\$2,802,489	2.1%	\$2,608,720	-6.9%	\$2,565,000	-1.7%	\$2,512,000	-2.1%	\$2,489,000	-0.9%
Tax Amnesty [3-21]							\$1,500,000		\$0		\$0	
TOTAL TAXES: BEFORE TAX CREDITS	\$3,923,984,113	4.6%	\$4,134,309,440	5.4%	\$3,902,074,250	-5.6%	\$4,059,338,500	4.0%	\$4,256,686,600	4.9%	\$4,545,168,600	6.8%
TOTAL COMMERCE TAX CREDITS	-\$57,816,568		-\$44,969,750		-\$50,840,616		-\$44,041,000		-\$44,611,000		-\$47,632,000	
TOTAL TAXES: AFTER COMMERCE TAX CREDITS	\$3,866,167,545	4.3%	\$4,089,339,690	5.8%	\$3,851,233,634	-5.8%	\$4,015,297,500	4.3%	\$4,212,075,600	4.9%	\$4,497,536,600	6.8%
Tax Credit Programs:												
Film Transferrable Tax Credits [TC-1]	\$0		-\$1,519,656		-\$337,637		-\$5,125,000		-\$5,000,000		-\$6,000,000	
Economic Development Transferrable Tax Credits [TC-2]	-\$73,831,822		-\$41,943,604		-\$21,912,501		\$0		\$0		\$0	
Catalyst Account Transferrable Tax Credits [TC-4]	-\$355,000		\$0		-\$300,000		-\$320,000		\$0		\$0	
Nevada New Markets Job Act Tax Credits [TC-3]	-\$23,234,613		-\$19,610,979		-\$7,775,281		-\$1,809,713		-\$24,000,000		-\$24,000,000	
Education Choice Scholarship Tax Credits [TC-5]	-\$15,975,154		-\$12,064,773		-\$11,299,828		-\$9,474,000		-\$11,400,000		-\$11,400,000	
College Savings Plan Tax Credits [TC-6]	\$0		-\$731		\$0		-\$2,500		-\$2,500		-\$2,500	
Affordable Housing Transferrable Tax Credits [TC-7]	\$0		\$0		\$0		\$0		-\$3,000,000		-\$10,000,000	
Total - Tax Credit Programs	-\$113,396,589		-\$75,139,743		-\$41,625,247		-\$16,731,213		-\$43,402,500		-\$51,402,500	
TOTAL TAXES: AFTER TAX CREDITS	\$3,752,770,956	3.2%	\$4,014,199,946	7.0%	\$3,809,608,386	-5.1%	\$3,998,566,287	5.0%	\$4,168,673,100	4.3%	\$4,446,134,100	6.7%

GENERAL FUND REVENUES - ECONOMIC FORUM MAY 4, 2021, FORECAST
ACTUAL: FY 2018 THROUGH FY 2020 AND FORECAST: FY 2021 THROUGH FY 2023
ECONOMIC FORUM'S FORECAST FOR FY 2021, FY 2022, AND FY 2023 APPROVED AT THE MAY 4, 2021, MEETING
ADJUSTED FOR ACTIONS APPROVED BY THE LEGISLATURE IN THE 2021 REGULAR SESSION (81ST SESSION) AND COURT DECISIONS

DESCRIPTION	FY 2018		FY 2019		FY 2020		ECONOMIC FORUM MAY 4, 2021, FORECAST					
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2021 FORECAST	% Change	FY 2022 FORECAST	% Change	FY 2023 FORECAST	% Change
LICENSES												
3101 Insurance Licenses	\$21,002,623	7.5%	\$21,928,437	4.4%	\$23,569,572	7.5%	\$26,260,000	11.4%	\$27,749,000	5.7%	\$29,585,000	6.6%
3120 Marriage License	\$342,192	-6.2%	\$331,666	-3.1%	\$267,159	-19.4%	\$315,300	18.0%	\$315,000	-0.1%	\$302,700	-3.9%
SECRETARY OF STATE												
3105 UCC	\$1,942,182	5.6%	\$2,408,248	24.0%	\$3,057,329	27.0%	\$3,514,000	14.9%	\$2,644,000	-24.8%	\$2,660,000	0.6%
3129 Notary Fees	\$556,389	1.4%	\$523,925	-5.8%	\$464,366	-11.4%	\$545,100	17.4%	\$560,000	2.7%	\$561,700	0.3%
3130 Commercial Recordings	\$77,057,113	3.3%	\$76,200,543	-1.1%	\$72,629,712	-4.7%	\$74,254,000	2.2%	\$73,965,000	-0.4%	\$75,247,000	1.7%
3131 Video Service Franchise	\$5,050	48.5%	\$27,900	452.5%	\$2,950	-89.4%	\$3,500	18.6%	\$3,500	0.0%	\$3,500	0.0%
3121 Domestic Partnership Registry Fee	\$0		\$47,497		\$33,998	-28.4%	\$34,300	0.9%	\$34,300	0.0%	\$34,300	0.0%
3152 Securities [7-22]	\$29,322,672	3.6%	\$29,879,214	1.9%	\$30,131,586	0.8%	\$31,817,000	5.6%	\$32,132,000	1.0%	\$32,385,000	0.8%
TOTAL SECRETARY OF STATE												
3172 Private School Licenses	\$214,155	0.6%	\$220,294	2.9%	\$194,318	-11.8%	\$213,500	9.9%	\$225,600	5.7%	\$231,000	2.4%
3173 Private Employment Agency	\$15,500	14.0%	\$18,600	20.0%	\$19,700	5.9%	\$20,600	4.6%	\$21,800	5.8%	\$23,100	6.0%
REAL ESTATE												
3161 Real Estate License	\$2,469,797	5.3%	\$2,705,756	9.6%	\$2,533,241	-6.4%	\$2,675,000	5.6%	\$2,701,000	1.0%	\$2,702,000	0.0%
3162 Real Estate Fees	\$1,670	-51.6%	\$1,800	7.8%	\$1,650	-8.3%	\$1,400	-15.2%	\$1,700	21.4%	\$1,800	5.9%
TOTAL REAL ESTATE												
3102 Athletic Commission Fees	\$6,016,432	87.0%	\$4,333,982	-28.0%	\$4,021,180	-7.2%	\$9,000	-99.8%	\$2,873,000	31822.2%	\$3,831,000	33.3%
TOTAL LICENSES	\$138,945,774	6.1%	\$138,627,862	-0.2%	\$136,926,762	-1.2%	\$139,662,700	2.0%	\$143,225,900	2.6%	\$147,568,100	3.0%
FEES AND FINES												
3203 Divorce Fees	\$164,198	-4.7%	\$158,760	-3.3%	\$144,113	-9.2%	\$145,400	0.9%	\$141,100	-3.0%	\$137,300	-2.7%
3204 Civil Action Fees	\$1,249,463	-2.9%	\$1,286,607	3.0%	\$1,226,220	-4.7%	\$1,282,000	4.5%	\$1,298,000	1.2%	\$1,317,000	1.5%
3242 Insurance Fines	\$676,092	-40.7%	\$482,053	-28.7%	\$390,033	-19.1%	\$363,000	-6.9%	\$379,600	4.6%	\$379,600	0.0%
3242LC Investigative Recovery Costs - Labor Commission					\$18,000		\$19,900	10.6%	\$20,900	5.0%	\$22,000	5.3%
3103MD Medical Plan Discount Reg. Fees	\$0		\$1,500		\$0		\$500		\$0		\$0	
REAL ESTATE FEES												
3107IOS IOS Application Fees	\$7,780	15.4%	\$6,880	-11.6%	\$6,600	-4.1%	\$7,600	15.2%	\$7,500	-1.3%	\$7,400	-1.3%
3165 Land Co Filing Fees	\$24,575	-0.5%	\$27,925	13.6%	\$19,400	-30.5%	\$27,000	39.2%	\$26,700	-1.1%	\$26,700	0.0%
3169 Real Estate Reg Fees	\$12,275	71.7%	\$9,725	-20.8%	\$14,450	48.6%	\$25,200	74.4%	\$21,900	-13.1%	\$21,900	0.0%
4741 Real Estate Exam Fees	\$601,757	27.5%	\$587,174	-2.4%	\$442,139	-24.7%	\$697,900	57.8%	\$645,300	-7.5%	\$652,700	1.1%
3178 Real Estate Accred Fees	\$109,295	6.2%	\$115,250	5.4%	\$100,475	-12.8%	\$106,800	6.3%	\$107,600	0.7%	\$108,500	0.8%
3254 Real Estate Penalties	\$102,131	7.1%	\$104,900	2.7%	\$83,050	-20.8%	\$98,600	18.7%	\$95,100	-3.5%	\$95,100	0.0%
3190 A.B. 165, Real Estate Inspectors	\$60,150	4.6%	\$58,374	-3.0%	\$62,730	7.5%	\$61,300	-2.3%	\$61,300	0.0%	\$61,300	0.0%
TOTAL REAL ESTATE FEES												
3066 Short Term Car Lease [8-22]	\$55,601,611	6.0%	\$57,304,945	3.1%	\$45,208,997	-21.1%	\$38,104,000	-15.7%	\$46,580,000	22.2%	\$52,022,000	11.7%
3103AC Athletic Commission Licenses/Fines	\$117,035	0.4%	\$139,525	19.2%	\$135,750	-2.7%	\$159,200	17.3%	\$130,600	-18.0%	\$132,300	1.3%
3150 Navigable Water Permit Fees [3-18]	\$61,185		\$65,000	6.2%	\$65,000	0.0%	\$65,000	0.0%	\$65,000	0.0%	\$65,000	0.0%
3205 State Engineer Sales [4-18]	\$3,860,659		\$3,886,601	0.7%	\$3,731,855	-4.0%	\$3,751,000	0.5%	\$3,751,000	0.0%	\$3,751,000	0.0%
3206 Supreme Court Fees	\$229,445	13.4%	\$252,460	10.0%	\$205,770	-18.5%	\$195,200	-5.1%	\$196,900	0.9%	\$211,700	7.5%
3115 Notice of Default Fee	\$806,743	-11.4%	\$591,061	-26.7%	\$487,642	-17.5%	\$241,700	-50.4%	\$428,300	77.2%	\$423,300	-1.2%
3601 Professional Employer Organization Fee [9-22]							\$103,500		\$103,500		\$103,500	0.0%
3271 Misc Fines/Forfeitures [5-18]	\$2,764,378	14.5%	\$3,495,166	26.4%	\$1,671,151	-52.2%	\$2,561,000	53.2%	\$1,831,000	-28.5%	\$1,839,000	0.4%
TOTAL FEES AND FINES	\$66,448,771	11.7%	\$68,573,906	3.2%	\$54,013,376	-21.2%	\$47,912,300	-11.3%	\$55,891,300	16.7%	\$61,377,300	9.8%

GENERAL FUND REVENUES - ECONOMIC FORUM MAY 4, 2021, FORECAST
ACTUAL: FY 2018 THROUGH FY 2020 AND FORECAST: FY 2021 THROUGH FY 2023
ECONOMIC FORUM'S FORECAST FOR FY 2021, FY 2022, AND FY 2023 APPROVED AT THE MAY 4, 2021, MEETING
ADJUSTED FOR ACTIONS APPROVED BY THE LEGISLATURE IN THE 2021 REGULAR SESSION (81ST SESSION) AND COURT DECISIONS

DESCRIPTION	FY 2018 ACTUAL	%	FY 2019 ACTUAL	%	FY 2020 ACTUAL	%	ECONOMIC FORUM MAY 4, 2021, FORECAST					
							FY 2021 FORECAST	% Change	FY 2022 FORECAST	% Change	FY 2023 FORECAST	% Change
USE OF MONEY AND PROP												
OTHER REPAYMENTS												
4403 Forestry Nurseries Fund Repayment (05-M27)	\$20,670		\$20,670		\$20,670		\$20,670		\$20,670		\$20,670	
4408 Comp/Fac Repayment	\$23,744		\$13,032		\$13,032		\$13,032		\$13,032		\$13,032	
4408 CIP 97-C26, Capitol Complex Conduit System, Phase I	\$62,542		\$62,542		\$0		\$0		\$0		\$0	
4408 CIP 97-S4H, Advance Planning Addition to Computer Facility	\$9,107		\$9,107		\$0		\$0		\$0		\$0	
4408 EITS Repayment - State Microwave Communications System [1-18]	\$57,900		\$57,900		\$57,900		\$57,900		\$266,915		\$266,915	
4408 EITS Repayment - Cyber Security Resource Enhancement [2-19]			\$124,406		\$201,079		\$178,351		\$124,406		\$0	
4408 EITS Repayment - Wide-Area Network Upgrade [3-19]			\$499,724		\$499,724		\$499,723		\$223,808		\$0	
4408 EITS Repayment - Enterprise Cloud Application [1-22]					\$0		\$0		\$448,209		\$448,209	
4408 EITS Repayment - Firewall Replacement [2-22]					\$0		\$0		\$677,636		\$677,636	
4408 EITS Repayment - Content Management and Portal Platform [2-24]					\$0		\$0		\$0		\$0	
4409 Motor Pool Repay - LV	\$125,000		\$125,000		\$125,000		\$125,000		\$125,000		\$125,000	
TOTAL OTHER REPAYMENTS	\$298,963	18.7%	\$912,381	205.2%	\$917,405	0.6%	\$894,676	-2.5%	\$1,899,676	112.3%	\$1,551,462	-18.3%
INTEREST INCOME												
3290 Treasurer	\$9,146,057	155.6%	\$18,212,970	99.1%	\$20,026,728	10.0%	\$7,651,000	-61.8%	\$7,804,000	2.0%	\$13,531,000	73.4%
3291 Other	\$115,117	163.2%	\$206,181	79.1%	\$177,821	-13.8%	\$19,300	-89.1%	\$23,300	20.7%	\$27,300	17.2%
TOTAL INTEREST INCOME	\$9,261,175	155.6%	\$18,419,152	98.9%	\$20,204,550	9.7%	\$7,670,300	-62.0%	\$7,827,300	2.0%	\$13,558,300	73.2%
TOTAL USE OF MONEY & PROP	\$9,560,138	146.7%	\$19,331,533	102.2%	\$21,121,955	9.3%	\$8,564,976	-59.4%	\$9,726,976	13.6%	\$15,109,762	55.3%
OTHER REVENUE												
3059 Hoover Dam Revenue	\$300,000	0.0%	\$300,000	0.0%	\$300,000	0.0%	\$300,000	0.0%	\$300,000	0.0%	\$300,000	0.0%
MISC SALES AND REFUNDS												
3047 Expired Slot Machine Wagering Vouchers	\$9,482,546	8.4%	\$10,372,316	9.4%	\$10,821,026	4.3%	\$8,775,000	-18.9%	\$9,401,000	7.1%	\$10,430,000	10.9%
3107 Misc Fees [3-18][9-22]	\$497,111	31.6%	\$418,804	-15.8%	\$410,057	-2.1%	\$556,100	35.6%	\$517,200	-7.0%	\$466,100	-9.9%
3109 Court Admin Assessments [6-18][7-20]	\$1,551,956		\$1,672,413	7.8%	\$0		\$0		\$0		\$0	
3114 Court Administrative Assessment Fee	\$2,095,971	1.4%	\$2,144,139	2.3%	\$1,831,501	-14.6%	\$1,555,000	-15.1%	\$1,857,000	19.4%	\$2,015,000	8.5%
3168 Declare of Candidacy Filing Fee	\$35,075	81.7%	\$36,842	5.0%	\$20,405	-44.6%	\$25,000	22.5%	\$35,000	40.0%	\$25,000	-28.6%
3202 Fees & Writs of Garnishments	\$1,740	-1.4%	\$6,500	273.6%	\$1,295	-80.1%	\$800	-38.2%	\$800	0.0%	\$700	-12.5%
3220 Nevada Report Sales	\$4,895	16.3%	\$11,265	130.1%	\$3,450	-69.4%	\$6,900	100.0%	\$7,500	8.7%	\$7,500	0.0%
3222 Excess Property Sales	\$3,400	-7.7%	\$9,516	179.9%	\$6,446	-32.3%	\$3,800	-41.1%	\$6,300	65.8%	\$6,300	0.0%
3240 Sale of Trust Property	\$864	-91.2%	\$3,511	306.3%	\$573	-83.7%	\$600	4.7%	\$600	0.0%	\$600	0.0%
3243 Insurance - Misc	\$397,998	8.5%	\$354,889	-10.8%	\$364,448	2.7%	\$368,600	1.1%	\$368,600	0.0%	\$368,600	0.0%
3274 Misc Refunds	\$51,085	-96.6%	\$37,467	-26.7%	\$30,139	-19.6%	\$34,000	12.8%	\$33,400	-1.8%	\$33,400	0.0%
3276 Cost Recovery Plan [7-18][8-20][10-22]	\$9,839,249	-3.7%	\$10,438,523	6.1%	\$10,588,533	1.4%	\$10,962,842	3.5%	\$9,080,139	-17.2%	\$8,602,062	-5.3%
TOTAL MISC SALES & REF	\$23,961,888	2.7%	\$25,506,185	6.4%	\$24,077,873	-5.6%	\$22,288,642	-7.4%	\$21,307,539	-4.4%	\$21,955,262	3.0%
3255 Unclaimed Property [11-22]	\$26,723,929	3.3%	\$20,964,747	-21.6%	\$31,198,989	48.8%	\$30,781,000	-1.3%	\$26,800,000	-12.9%	\$26,728,000	-0.3%
TOTAL OTHER REVENUE	\$50,985,818	3.0%	\$46,770,931	-8.3%	\$55,576,862	18.8%	\$53,369,642	-4.0%	\$48,407,539	-9.3%	\$48,983,262	1.2%
TOTAL GENERAL FUND REVENUE: BEFORE TAX CREDITS	\$4,189,924,613	4.8%	\$4,407,613,671	5.2%	\$4,169,713,203	-5.4%	\$4,308,848,118	3.3%	\$4,513,938,315	4.8%	\$4,818,207,024	6.7%
TOTAL COMMERCE TAX CREDITS	-\$57,816,568		-\$44,969,750		-\$50,840,616		-\$44,041,000		-\$44,611,000		-\$47,632,000	
TOTAL GENERAL FUND REVENUE: AFTER COMMERCE TAX CREDITS	\$4,132,108,045	4.5%	\$4,362,643,921	5.6%	\$4,118,872,587	-5.6%	\$4,264,807,118	3.5%	\$4,469,327,315	4.8%	\$4,770,575,024	6.7%
TAX CREDIT PROGRAMS:												
FILM TRANSFERRABLE TAX CREDITS [TC-1]	\$0		-\$1,519,656		-\$337,637		-\$5,125,000		-\$5,000,000		-\$6,000,000	
ECONOMIC DEVELOPMENT TRANSFERRABLE TAX CREDITS [TC-2]	-\$73,831,822		-\$41,943,604		-\$21,912,501		\$0		\$0		\$0	
CATALYST ACCOUNT TRANSFERRABLE TAX CREDITS [TC-4]	-\$355,000		\$0		-\$300,000		-\$320,000		\$0		\$0	
NEVADA NEW MARKET JOBS ACT TAX CREDITS [TC-3]	-\$23,234,613		-\$19,610,979		-\$7,775,281		-\$1,809,713		-\$24,000,000		-\$24,000,000	
EDUCATION CHOICE SCHOLARSHIP TAX CREDITS [TC-5]	-\$15,975,154		-\$12,064,773		-\$11,299,828		-\$9,474,000		-\$11,400,000		-\$11,400,000	
COLLEGE SAVINGS PLAN TAX CREDITS [TC-6]	\$0		-\$731		\$0		-\$2,500		-\$2,500		-\$2,500	
AFFORDABLE HOUSING TRANSFERRABLE TAX CREDITS [TC-7]	\$0		\$0		\$0		\$0		-\$3,000,000		-\$10,000,000	
TOTAL- TAX CREDIT PROGRAMS	-\$113,396,589		-\$75,139,743		-\$41,625,247		-\$16,731,213		-\$43,402,500		-\$51,402,500	
TOTAL GENERAL FUND REVENUE: AFTER TAX CREDITS	\$4,018,711,456	3.6%	\$4,287,504,178	6.7%	\$4,077,247,340	-4.9%	\$4,248,075,905	4.2%	\$4,425,924,815	4.2%	\$4,719,172,524	6.6%

GENERAL FUND REVENUES - ECONOMIC FORUM MAY 4, 2021, FORECAST
ACTUAL: FY 2018 THROUGH FY 2020 AND FORECAST: FY 2021 THROUGH FY 2023
ECONOMIC FORUM'S FORECAST FOR FY 2021, FY 2022, AND FY 2023 APPROVED AT THE MAY 4, 2021, MEETING
ADJUSTED FOR ACTIONS APPROVED BY THE LEGISLATURE IN THE 2021 REGULAR SESSION (81ST SESSION) AND COURT DECISIONS

DESCRIPTION	FY 2018 ACTUAL	%	Change	FY 2019 ACTUAL	%	Change	ECONOMIC FORUM MAY 4, 2021, FORECAST					
							FY 2020 ACTUAL	%	Change	FY 2021 FORECAST	%	Change

NOTES:

FY 2018: Note 1 represents legislative actions approved during the 2015 Legislative Session.

[1-18] Section 51 of S.B. 514 allows the Division of Enterprise Information Technology Services of the Department of Administration to use revenues from intergovernmental transfers to the State General Fund for the repayment of special appropriations that were made to the Division for the replacement of the state's microwave communications system. The legislatively approved repayment from the Division to the State General Fund is \$57,900 per year between FY 2018 and FY 2021, with increased repayments between FY 2022 and FY 2028.

FY 2018: Notes 2 through 7 represent legislative actions approved during the 2017 Legislative Session.

- [2-18] A.B. 486 requires 25% of the proceeds from the portion of the Governmental Services Tax (GST) generated from the 10% depreciation schedule change, approved in S.B. 429 (2009), to be allocated to the State General Fund in FY 2018 and FY 2019, with the remaining 75% deposited in the State Highway Fund. Under A.B. 486, 100% of the additional revenue generated from the GST 10% depreciation schedule change is required to be deposited in the State Highway Fund beginning in FY 2020 and going forward permanently. Estimated to generate \$19,367,000 in FY 2018 and \$19,573,500 in FY 2019.
- [3-18] S.B. 512 removes fees for the issuance of certain permits relating to the usage of piers, docks, buoys, or other facilities on navigable bodies of water in this state from NRS 322.120, and instead requires that the State Land Registrar of the Division of State Lands of the Department of Conservation and Natural Resources establish these fees by regulation, effective July 1, 2017. The bill requires that the first \$65,000 of the proceeds from these permit fees be deposited in the State General Fund in each fiscal year, with any proceeds in excess of \$65,000 to be used by the State Land Registrar to carry out programs to preserve, protect, restore, and enhance the natural environment of the Lake Tahoe Basin.
- [4-18] S.B. 514 requires that certain fees collected by the State Engineer of the Division of Water Resources of the Department of Conservation and Natural Resources relating to services for the adjudication and appropriation of water be deposited in the State General Fund. Estimated to generate \$3,467,000 per year in FY 2018 and FY 2019.
- [5-18] S.B. 515 requires that certain penalties received by the Securities Division of the Secretary of State's Office be deposited in the State General Fund, instead of the Secretary of State's Office's operating budget, effective July 1, 2017. Estimated to generate \$117,256 per fiscal year in FY 2018 and FY 2019.
- [6-18] Estimated portion of the revenue generated from Court Administrative Assessment Fees to be deposited in the State General Fund (pursuant to subsection 9 of NRS 176.059), based on the legislatively approved projections and the authorized allocation for the Court Administrative Assessment Fee revenues (pursuant to subsection 8 of NRS 176.059) for FY 2018 and FY 2019. Estimated to generate \$1,328,228 in FY 2018 and \$1,080,780 in FY 2019.
- [7-18] Adjustment to the Statewide Cost Allocation amount included in the Legislature Approves budget after the May 1, 2017, approval of the General Fund revenue forecast by the Economic Forum.

FY 2019: Notes 1 through 3 represent legislative actions approved during the 2017 Legislative Session.

- [1-19] Senate Bill 415 (2017) required the submission of a question on the November 2018 General Election ballot seeking approval to amend the Sales and Use Tax Act of 1955 to provide an exemption from the State 2% sales and use tax for certain feminine hygiene products. This ballot question was approved by the voters and, therefore, the sales tax exemption for these products will be effective January 1, 2019, until December 31, 2028.
- S.B. 415 also provides that if the ballot question is approved by the voters, identical exemptions for these products from the Local School Support Tax and other state and local taxes would become effective January 1, 2019, and would also expire on December 31, 2028. These exemptions will reduce the amount of the commission that is kept by the Department of Taxation and deposited in the State General Fund for collection of these taxes.
- [2-19] Section 39 of A.B. 518 provides General Fund appropriations of \$497,625 in FY 2018 and \$306,690 in FY 2019 to the Division of Enterprise Information Technology Services of the Department of Administration to enhance the state's cyber security resources. The legislatively approved repayment of these appropriations is 25 percent of the amounts appropriated per year, beginning in FY 2019 (for the FY 2018 appropriation) and in FY 2020 (for the FY 2019 appropriation).
- [3-19] Section 40 of A.B. 518 provides a General Fund appropriation of \$1,998,895 in FY 2018 to the Division of Enterprise Information Technology Services of the Department of Administration to increase the bandwidth and connectivity of the State's wide area network. The legislatively approved repayment of this appropriation is 25 percent of the amount appropriated per year, beginning in FY 2019.

FY 2020: Notes 1 through 8 represent legislative actions approved during the 2019 Legislative Session.

- [1-20] A.B. 445 requires a marketplace facilitator, defined as a person who facilitates the sale of tangible personal property by a marketplace seller in the state of Nevada, to collect and remit sales and use taxes on certain sales that are facilitated on behalf of the marketplace seller, effective October 1, 2019. Estimated to generate \$16,459,000 in FY 2020 and \$21,945,000 in FY 2021 for the State 2% rate. This requirement is also estimated to increase collections for the General Fund Commissions by \$668,000 in FY 2020 (LSST: \$160,000; BCCRT: \$72,000; SCCRT: \$252,000; PTT: \$184,000) and \$892,000 in FY 2021 (LSST: \$214,000; BCCRT: \$96,000; SCCRT: \$336,000; PTT: \$246,000).
- [2-20] S.B. 535 removes the requirement that an amount equal to \$2 per slot machine collected from quarterly restricted and non-restricted slot machine fees be allocated to the Account to Support Programs for the Prevention and Treatment of Problem Gambling. Estimated to generate \$1,303,100 in FY 2020 (Non-restricted: \$1,149,400; Restricted: \$153,700) and \$1,298,800 in FY 2021 (Non-restricted: \$1,143,900; Restricted: \$154,900).
- [3-20] A.B. 535 increases the existing license fee on wholesale dealers of cigarettes, which is currently distributed between the State General Fund and local governments, and establishes new license fees for manufacturers, wholesale dealers of other tobacco products, and tobacco retailers. This bill requires all license fee proceeds to be retained by the Department of Taxation to administer and enforce the cigarette and OTP statutes. This action to require the license fees on wholesale dealers of cigarettes to be retained by the Department is estimated to reduce General Fund revenue by less than \$10,000 per year in FY 2020 and FY 2021; thus, no adjustment is made to the forecast.
- [4-20] S.B. 551 permanently repeals the provisions requiring the Modified Business Tax (MBT) tax rates on nonfinancial institutions (MBT-NFI), financial institutions (MBT-FI), and mining companies (MBT-Mining) to be reduced by the Department of Taxation if actual collections from these taxes, in combination with collections from the Commerce Tax and Branch Bank Excise Tax and tax credits taken against the MBT, are more than 4% above the Economic Forum's May forecast in any even-numbered fiscal year.
- As a result of the passage of this bill, the rates for the MBT-NFI, which was to be reduced to 1.378% for all taxable wages in excess of \$50,000 per calendar quarter, and the MBT-FI and MBT-Mining, which were to be reduced to 1.853% for all taxable wages, effective July 1, 2019, will remain at the current rates of 1.475% (for the MBT-NFI) and 2% (for the MBT-FI and MBT-Mining), on and after that date. Estimated to generate \$48,166,000 in FY 2020 (MBT-NFI: \$44,101,000; MBT-FI: \$2,335,000; MBT-Mining: \$1,730,000) and \$49,998,000 in FY 2021 (MBT-NFI: \$45,827,000; MBT-FI: \$2,420,000; MBT-Mining: \$1,751,000).
- [5-20] S.B. 541 requires 25% of the proceeds from the portion of the Governmental Services Tax (GST) generated from the 10% depreciation schedule change, approved in S.B. 429 (2009), to be allocated to the State General Fund on a permanent basis, effective July 1, 2019. The remaining 75% portion of these proceeds are to be deposited in the State Highway Fund. Estimated to generate \$21,954,000 in FY 2020 and \$22,321,000 in FY 2021.
- [6-20] S.B. 263 specifies that alternative nicotine products and vapor products, including e-cigarettes and their components, are subject to the 30 percent wholesale tax on other tobacco products, effective January 1, 2020. Estimated to generate \$3,699,000 in FY 2020 and \$7,931,000 in FY 2021.
- [7-20] Estimated portion of the revenue generated from Court Administrative Assessment Fees to be deposited in the State General Fund (pursuant to subsection 9 of NRS 176.059), based on the legislatively approved projections and the authorized allocation for the Court Administrative Assessment Fee revenues (pursuant to subsection 8 of NRS 176.059) for FY 2020 and FY 2021. Estimated to generate \$351,220 in FY 2020 and \$270,166 in FY 2021.

GENERAL FUND REVENUES - ECONOMIC FORUM MAY 4, 2021, FORECAST
ACTUAL: FY 2018 THROUGH FY 2020 AND FORECAST: FY 2021 THROUGH FY 2023
ECONOMIC FORUM'S FORECAST FOR FY 2021, FY 2022, AND FY 2023 APPROVED AT THE MAY 4, 2021, MEETING
ADJUSTED FOR ACTIONS APPROVED BY THE LEGISLATURE IN THE 2021 REGULAR SESSION (81ST SESSION) AND COURT DECISIONS

DESCRIPTION	FY 2018 ACTUAL	%	FY 2019 ACTUAL	%	FY 2020 ACTUAL	%	ECONOMIC FORUM MAY 4, 2021, FORECAST					
							FY 2021 FORECAST	Change	FY 2022 FORECAST	Change	FY 2023 FORECAST	Change
[8-20]	Adjustment to the Statewide Cost Allocation amount included in the Legislatively Approved budget after the May 1, 2019, approval of the General Fund revenue forecast by the Economic Forum.											
FY 2021: Notes 1 through 3 represent legislative actions approved during the 31st Special Session (July 2020).												
[1-21]	S.B. 3 requires the advance payment on the net proceeds of minerals (NPM) tax in FY 2021 based on the estimated net proceeds for the current calendar year 2021. This additional NPM tax payment in FY 2021 is estimated to generate \$54,500,000 from the General Fund portion of the tax due on the estimated net proceeds for calendar year 2021 based on the consensus estimate prepared by the Department of Taxation, Budget Division, and the Fiscal Analysis Division. The provisions of S.B. 3 also apply to FY 2022 and FY 2023, but the NPM tax reverts 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.											
[2-21]	S.B. 3 requires 100% of the proceeds from the portion of the Governmental Services Tax (GST) generated from the 10% depreciation schedule change, approved in S.B. 429 (2009), to be allocated to the State General Fund in FY 2021 only. Beginning in FY 2022, the distribution reverts to 75% of the additional revenue generated from the GST 10% depreciation schedule change deposited in the State Highway Fund and 25% deposited in the State General Fund, as approved in S.B. 541 (2019). Estimated to generate an additional \$71,346,000 in FY 2021 for the State General Fund, based on the consensus estimate prepared by the Budget Division and the Fiscal Analysis Division.											
[3-21]	S.B. 3 requires the Department of Taxation to establish and conduct a tax amnesty program by which taxpayers may pay a fee, tax, or assessment required to be paid to the Department without incurring any penalties or interest that would otherwise be required as a result of the unpaid fee, tax, or assessment. This program is required to be conducted by the Department for a period of not more than 90 calendar days and must be concluded no later than June 30, 2021. Estimated to generate \$14,000,000 to the State General Fund and \$7,000,000 to the Distributive School Account (DSA) in FY 2021 based on the consensus estimate prepared by the Department of Taxation, Budget Division, and the Fiscal Analysis Division.											
FY 2022: Notes 1 and 2 represent legislative actions approved during the 2019 Legislative Session.												
[1-22]	Section 1 of A.B. 512 provides a General Fund appropriation of \$2,138,800 in FY 2020 to the Division of Enterprise Information Technology Services of the Department of Administration for the implementation of an enterprise cloud electronic mail and business productivity application. The legislatively approved repayment of this appropriation is 25 percent of the cost of the implementation of an enterprise cloud electronic mail and business productivity application per year, beginning in FY 2022.											
[2-22]	Section 2 of A.B. 512 provides a General Fund appropriation of \$4,186,202 in FY 2020 to the Division of Enterprise Information Technology Services of the Department of Administration for the replacement of firewalls. The legislatively approved repayment of this appropriation is 25 percent of the cost of the replacement of the firewalls per year, beginning in FY 2022.											
FY 2022: Notes 3 through 11 represent legislative actions approved during the 2021 Legislative Session.												
[3-22]	A.B. 495 imposes an annual tax on each business entity engaged in the business of extracting gold or silver in this State whose Nevada gross revenue in a taxable year exceeds \$20 million, effective July 1, 2021. The tax rate is 0.75% of all taxable revenue in excess of \$20 million, but not more than \$150 million; and 1.1% of all Nevada gross revenue in excess of \$150 million. The proceeds from this tax are to be deposited in the State General Fund in FY 2022 and FY 2023, but will 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 beginning in FY 2024. Estimated to generate \$83,802,000 in FY 2022 and \$80,996,000 in FY 2023.											
[4-22]	S.B. 440 provides an exemption from sales and use taxes on purchases of tangible personal property by members of the Nevada National Guard who are on active status and who are residents of this State and certain relatives of such members, if the purchase occurs on the date on which Nevada Day is observed or the immediately following Saturday or Sunday, between July 1, 2021, and June 30, 2031. The bill also revises the eligibility requirements for the current exemption that is authorized for members of the Nevada National Guard called into active service to provide that this exemption is available to these members and certain relatives, if the member has been called into active duty for a period of more than 30 days outside of the United States. The exemption is anticipated to reduce sales and use tax revenue for the state and local governments; however, an estimate of the potential reduction was not prepared.											
[5-22]	S.B. 367 provides an exemption from the Live Entertainment Tax for live entertainment that is provided by or entirely for the benefit of a governmental entity, effective upon passage and approval (June 4, 2021). Because this exemption is expected to provide a minimal reduction to LET revenues, no adjustment to the forecast was made.											
[6-22]	On May 13, 2021, the Nevada Supreme Court upheld a First Judicial District Court ruling that certain actions by the Legislature in Senate Bill 551 (2019) were unconstitutional, as that legislation was approved without the two-thirds majority in each house required in Article 4, Section 18 of the Nevada Constitution. As a result, the tax rates for the Modified Business Tax were reduced effective April 1, 2021 to the rates determined by the Department of Taxation on or before September 30, 2018, that were to become effective on July 1, 2019, pursuant to the provisions of NRS 360.203. The rate for the MBT-NFI was reduced from 1.475% to 1.378% for all taxable wages in excess of \$50,000 per calendar quarter and the rate for the MBT-FI and MBT-Mining was reduced from 2.0% to 1.853% on all quarterly taxable wages. The court ruling additionally requires the Department of Taxation to issue refunds for all MBT that was collected at the higher rates, between July 1, 2019, and March 31, 2021, based on the difference between the rate approved in S.B. 551 and the reduced rate determined by the Department in September 2018, as well as interest on the excess amount collected.											
The adjustments to the May 2021 Economic Forum forecast reflect the estimated combined negative impact for each fiscal year for the refund and interest attributable to FY 2020 and FY 2021 overpayments as allocated to FY 2021 and FY 2022 and the tax rate reduction for the fourth quarter of FY 2021 and all four quarters of FY 2022 and FY 2023. The estimated negative impact to total MBT collections attributable to the refund and interest on tax overpayments for FY 2020 and FY 2021 allocated to FY 2021 is \$75,575,000 (MBT-NFI: \$68,066,000, MBT-FI: \$4,647,000, MBT-Mining: \$2,862,000) and allocated to FY 2022 is \$4,717,000 (MBT-NFI: \$3,722,000, MBT-FI: \$943,000, MBT-Mining: \$52,000). The estimated negative impact to total MBT collections attributable to the reduction in the tax rates for FY 2021 is \$12,128,000 (MBT-NFI: \$10,917,000, MBT-FI: \$785,000, MBT-Mining: \$426,000), for FY 2022 is \$50,573,000 (MBT-NFI: \$45,445,000, MBT-FI: \$3,386,000, MBT-Mining: \$1,742,000), and for FY 2023 is \$53,659,000 (MBT-NFI: \$48,238,000, MBT-FI: \$3,637,000, MBT-Mining: \$1,784,000). The estimates for the refund and interest are based on information provided by the Department of Taxation, based on an analysis of actual taxpayer accounts, regarding the potential total refund and interest amounts for the four quarters of FY 2020 and the three quarters of FY 2021 and the actual refund and interest amounts issued for each fiscal year in FY 2021 by each component of the MBT.												
[7-22]	S.B. 9 provides an exemption from licensure for investment advisers to certain qualifying private funds, effective July 1, 2022, if: (1) the investment adviser solely advises one or more qualifying private funds; (2) the investment adviser is not required to register with the Securities and Exchange Commission; (3) neither the investment adviser nor any of its advisory affiliates have engaged in certain bad acts; (4) the investment adviser files certain reports with the Administrator, who is the Deputy of Securities appointed by the Secretary of State; and (5) the investment adviser pays a fee prescribed by the Administrator. Estimated to reduce revenue by \$12,000 in FY 2023.											
[8-22]	S.B. 389 provides for the regulation and licensing of peer-to-peer car sharing programs by the Department of Motor Vehicles, and also provides that passenger cars that are shared through such a program are subject to a Short Term Car Lease Fee that is identical to the fee already collected by the Department of Taxation on the rental of other passenger cars in this state, effective October 1, 2021. Estimated to generate \$750,000 in FY 2022 and \$1.0 million in FY 2023.											
[9-22]	The proceeds from the licensure of certain professional employer organizations (employee leasing companies), which were being retained by the Division of Industrial Relations in the Department of Business and Industry, were going to be deposited in the State General Fund beginning on July 1, 2021. The Economic Forum May 4, 2021, forecast accounted for this action by including an estimate of \$103,500 in G.L. 3107. Senate Bill 55 transfers the duties for regulating and licensing professional employer organizations from the Division to the Labor Commissioner, effective July 1, 2021. It was determined after the passage of S.B. 55 that the Labor Commissioner will post the revenues from the licensing fees in G.L. 3601, not G.L. 3107. Thus, a new line for G.L. 3601 – Professional Employer Organization Fee is added to the table and \$103,500 is transferred from the forecast for G.L. 3107 to this new G.L., resulting in a net zero change to the Economic Forum May 4, 2021, forecast.											
[10-22]	Adjustment to the Statewide Cost Allocation amount included in the Legislatively Approved budget after the May 4, 2021, approval of the General Fund revenue forecast by the Economic Forum.											

GENERAL FUND REVENUES - ECONOMIC FORUM MAY 4, 2021, FORECAST
ACTUAL: FY 2018 THROUGH FY 2020 AND FORECAST: FY 2021 THROUGH FY 2023
ECONOMIC FORUM'S FORECAST FOR FY 2021, FY 2022, AND FY 2023 APPROVED AT THE MAY 4, 2021, MEETING
ADJUSTED FOR ACTIONS APPROVED BY THE LEGISLATURE IN THE 2021 REGULAR SESSION (81ST SESSION) AND COURT DECISIONS

DESCRIPTION	FY 2018 ACTUAL	%	Change	FY 2019 ACTUAL	%	Change	FY 2020 ACTUAL	%	Change	ECONOMIC FORUM MAY 4, 2021, FORECAST					
										FY 2021 FORECAST	%	Change	FY 2022 FORECAST	%	Change

[11-22] A.B. 445 requires the State Controller, as soon as practicable after the close of FY 2021, to transfer \$1,000,000 from the Abandoned Property Trust Account (Unclaimed Property) to the Grant Matching Account for the purpose of providing grants or satisfying matching requirements for nongovernmental organizational grants by the Office of Federal Assistance in the Office of the Governor. For FY 2023 and all subsequent years, the first \$1.0 million of revenue from Unclaimed Property that is generated after the required transfer of the first \$7.6 million to the Millennium Scholarship Trust Fund must be transferred to the Grant Matching Account. The actions in A.B. 445, therefore, reduce the forecast for this revenue source by \$1.0 million per year in FY 2022, FY 2023, and all future fiscal years.

FY 2024: Notes 1 and 2 represent legislative actions approved during the 2021 Legislative Session.

[1-24] A.B. 495 provides that, beginning in FY 2024, the portion of the Net Proceeds of Minerals Tax currently deposited in the State General Fund be instead 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. This action does not affect the Economic Forum's forecast for FY 2022 or FY 2023.

[2-24] S.B. 426 provides a General Fund appropriation of \$1,784,500 to the Division of Enterprise Information Technology Services of the Department of Administration for the replacement of the content management and portal platform. The legislatively approved annual repayment of this appropriation is 25 percent of the cost of the replacement of the content management and portal platform per year, beginning in FY 2024.

TAX CREDIT PROGRAMS APPROVED BY THE LEGISLATURE

[TC-1] Pursuant to S.B. 165 (2013), the Governor's Office of Economic Development (GOED) could issue up to \$20 million per fiscal year for a total of \$80 million for the four-year pilot program in transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and Gaming Percentage Fee Tax. The provisions of the film tax credit program were amended in S.B. 1 (28th Special Session (2014)) to reduce the total amount of the tax credits that may be approved by GOED to a total of \$10 million.

Pursuant to A.B. 492 (2017), a total of \$10 million per year in film tax credits may be awarded by GOED beginning in FY 2018, in addition to any remaining amounts from S.B. 1 of the 28th Special Session (2014). Any portion of the \$10 million per year that is not approved by GOED may be carried forward and made available during the next or any future fiscal year. The forecasts for FY 2021, FY 2022, and FY 2023 are based on information provided by the Nevada Film Office of GOED.

[TC-2] Pursuant to S.B. 1 (28th Special Session (2014)), for certain qualifying projects, the Governor's Office of Economic Development (GOED) is required to issue transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and the Gaming Percentage Fee Tax. The amount of transferrable tax credits are equal to \$12,500 for each qualified employee employed by the participants in the project, to a maximum of 6,000 employees, plus 5 percent of the first \$1 billion of new capital investment in the State made collectively by the participants in the qualifying project, plus an additional 2.8 percent of the next \$2.5 billion in new capital investment in the State made collectively by the participants in the project. The amount of credits approved by GOED may not exceed \$45 million per fiscal year (though any unissued credits may be issued in subsequent fiscal years), and GOED may not issue total credits in excess of \$195 million. The forecast is \$0 per fiscal year for FY 2021, FY 2022, and FY 2023, because the entirety of the \$195 million in transferrable tax credits that could be authorized pursuant to S.B. 1 have been awarded and used.

Pursuant to S.B. 1 (29th Special Session (2015)), for certain qualifying projects, the Governor's Office of Economic Development (GOED) is required to issue transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and the Gaming Percentage Fee Tax. The amount of transferrable tax credits are equal to \$9,500 for each qualified employee employed by the participants in the project, to a maximum of 4,000 employees. The amount of credits approved by GOED may not exceed \$7.6 million per fiscal year (though any unissued credits may be issued in subsequent fiscal years), and GOED may not issue total credits in excess of \$38 million. Because there are currently no eligible projects under this program, the forecast for these tax credits is \$0 per fiscal year for FY 2021, FY 2022, and FY 2023.

[TC-3] Pursuant to S.B. 357 (2013), the Nevada New Markets Jobs Act allows insurance companies to receive a credit against the tax imposed on insurance premiums in exchange for making qualified equity investments in community development entities, particularly those that are local and minority-owned. A total of \$200 million in qualified equity investments may be certified by the Department of Business and Industry. In exchange for making the qualified equity investment, insurance companies are entitled to receive a credit against the Insurance Premium Tax in an amount equal to 58 percent of the total qualified equity investment that is certified by the Department. The credits, which were allowed to be taken by insurance companies beginning in the third quarter of FY 2015 under the provisions of S.B. 357, may be taken in increments beginning on the second anniversary date of the original investment, as follows:

2 years after the investment is made: 12%; 3 years after the investment is made: 12%; 4 years after the investment is made: 12%; 5 years after the investment is made: 11%; and 6 years after the investment is made: 11%.

Pursuant to A.B. 446 (2019), an additional \$200 million in qualified equity investments may be certified by the Department of Business and Industry, effective July 1, 2019, with a total of \$116 million of credits that may be taken based on the increment percentages originally approved in S.B. 357 (2013). However, pursuant to A.B. 446, no credits may be taken against the Insurance Premium Tax before July 1, 2021 (FY 2022).

The amounts shown reflect estimates of the amount of tax credits that will be taken in each fiscal year based on information provided by the Department of Business and Industry and the Department of Taxation during the 2021 Session.

[TC-4] S.B. 507 (2015) authorizes the Governor's Office of Economic Development (GOED) to approve transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and Gaming Percentage Fee Tax to new or expanding businesses to promote the economic development of Nevada. As approved in S.B. 507, the total amount of transferrable tax credits that may be issued is \$500,000 in FY 2016, \$2,000,000 in FY 2017, and \$5,000,000 for FY 2018 and each fiscal year thereafter. The amounts shown are the estimate based on the maximum amount that can be issued in each fiscal year.

A.B. 1 of the 29th Special Session (2015) reduced the total amount of transferrable tax credits that may be issued by GOED to zero in FY 2016, \$1 million in FY 2017, \$2 million per year in FY 2018 and FY 2019, and \$3 million in FY 2020. For FY 2021 and future fiscal years, the amount of credits that may be issued by GOED remains at \$5 million per year. The forecasts for FY 2021, FY 2022, and FY 2023 are based on information provided by GOED.

GENERAL FUND REVENUES - ECONOMIC FORUM MAY 4, 2021, FORECAST
ACTUAL: FY 2018 THROUGH FY 2020 AND FORECAST: FY 2021 THROUGH FY 2023
ECONOMIC FORUM'S FORECAST FOR FY 2021, FY 2022, AND FY 2023 APPROVED AT THE MAY 4, 2021, MEETING
ADJUSTED FOR ACTIONS APPROVED BY THE LEGISLATURE IN THE 2021 REGULAR SESSION (81ST SESSION) AND COURT DECISIONS

DESCRIPTION	FY 2018 ACTUAL	%	Change	FY 2019 ACTUAL	%	Change	FY 2020 ACTUAL	%	Change	ECONOMIC FORUM MAY 4, 2021, FORECAST					
										FY 2021 FORECAST	%	Change	FY 2022 FORECAST	%	Change

- [TC-5] A.B. 165 (2015) allows taxpayers who make donations of money to certain scholarship organizations to receive a dollar-for-dollar credit against the taxpayer's liability for the Modified Business Tax (MBT). The total amount of credits that may be approved by the Department of Taxation (Department) is \$5 million in FY 2016, \$5.5 million in FY 2017, and 110 percent of the total amount of credits authorized in the previous year, for all subsequent fiscal years. The amounts shown reflect the estimate based on the assumption that the total amount authorized for each fiscal year will be donated to a qualified scholarship organization and taken as credits against the MBT.
- S.B. 555 (2017) authorized an additional \$20 million in credits against the MBT under this program in Fiscal Year 2018 beyond those that were authorized in FY 2018 based on the provisions of A.B. 165 (2015). Any amount of the \$20 million in credits that is not approved by the Department may be issued in future fiscal years. The forecast for FY 2019 is based on the amount of this \$20 million that was awarded in FY 2018, but not used against the MBT in that fiscal year, plus the maximum amount of annual credits allowed based on the statutory formula adopted in A.B. 165 (2015). The forecasts for FY 2020 and FY 2021 are based on the maximum amount of annual credits allowed based on the statutory formula in A.B. 165 only.
- A.B. 458 (2019) permanently eliminated the 10 percent increase in the amount of credits that may be authorized in each year, capping the total amount that may be authorized in each year at \$6,655,000 beginning in FY 2020. The bill additionally clarified that the \$6,655,000 limit per year applies to the combined credits that may be taken under both chapters of the MBT (Chapters 363A and 363B), rather than as a separate limit for each chapter.
- S.B. 551 (2019) authorized an additional \$4,745,000 in credits against the MBT (Chapters 363A and 363B combined) under this program per year in FY 2020 and FY 2021 beyond those that were authorized in those years based on the provisions of A.B. 458 (2019). Any amount of the \$4,745,000 in credits that is not approved by the Department in each fiscal year may be issued in future fiscal years.
- A.B. 495 (2021) authorized an additional \$4,745,000 in credits against the MBT (Chapters 363A and 363B combined) under this program per year in FY 2022 beyond those that are authorized in that year based on the provisions of A.B. 458 (2019). Any amount of the \$4,745,000 in credits that is not approved by the Department in FY 2022 may be issued in future fiscal years. The forecast for FY 2022 is based on the maximum amount of \$6,655,000 allowed pursuant to A.B. 458 (2019) plus the additional \$4,745,000 per year authorized under A.B. 458 (2019) that are expected to be taken in this fiscal year. Although the provisions of A.B. 495 (2021) authorized an additional \$4,745,000 in credits in FY 2022, the Fiscal Analysis Division has increased the amount of credits that will be taken by \$4,745,000 in FY 2023, because of the timing on when these credits are anticipated to be awarded and used.
- [TC-6] S.B. 412 (2015) provides a tax credit against the Modified Business Tax (MBT) to certain employers who match the contribution of an employee to one of the college savings plans offered through the Nevada Higher Education Prepaid Tuition Program and the Nevada College Savings Program authorized under existing law. The amount of the tax credit is equal to 25 percent of the matching contribution, not to exceed \$500 per contributing employee per year, and any unused credits may be carried forward for 5 years. The provisions relating to the Nevada College Savings Program are effective January 1, 2016, and the Higher Education Prepaid Tuition Program are effective July 1, 2016. The amounts shown are estimates based on information provided by the Treasurer's Office on enrollment and contributions for the college savings plans.
- [TC-7] S.B. 448 (2019) authorizes the Housing Division of the Department of Business and Industry (Division) to approve a total of \$40 million of transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and Gaming Percentage Fee Tax. Under the provisions of S.B. 448, the Division may award up to \$10 million in transferable tax credits per year to persons who develop affordable housing projects in Nevada over the four years of the pilot program, but may award an additional \$3 million in credits in any fiscal year if the issuance of the credits is necessary for the development of additional affordable housing projects in the state. If the Division approves any credits in excess of \$10 million in a fiscal year, the amount to be awarded in the next fiscal year must be reduced by the amount in excess of \$10 million that was issued in the previous fiscal year. If the Division does not issue all of the \$10 million in credits authorized in a fiscal year, that amount is carried forward and may be issued in a subsequent fiscal year.
- S.B. 284 (2021) made several changes to this tax credit program, including revising the procedure for the issuance of transferable tax credits so that transferable tax credits are issued before, rather than after, the project is completed; removing the 4-year sunset provisions originally established by S.B. 448 (2019), making the program permanent; and clarifying that the maximum amount of tax credits that may be issued under the program remains at \$40 million as established in S.B. 448 (2019). These changes to the program do not affect the forecasts approved by the Economic Forum for this tax credit program for FY 2021, FY 2022, or FY 2023, which are based on information provided by the Division.

[THIS PAGE INTENTIONALLY LEFT BLANK]

PART III

INFORMATION CONCERNING ADDITIONAL SECURITY FOR THE 2021E BONDS ONLY

Part III of this Official Statement contains information concerning the State's Safe Drinking Water Revolving Fund Program, and supplements the information contained in the other parts of this Official Statement. **The security described in this Part III is applicable only to the 2021E Bonds.**

[THIS PAGE INTENTIONALLY LEFT BLANK]

STATE SAFE DRINKING WATER REVOLVING FUND PROGRAM

Under the federal Safe Drinking Water Act (the “Safe Drinking Water Act”), federal capitalization grants are made to the various states for deposit in a safe drinking water revolving fund. A safe drinking water revolving fund established by a state is perpetual in nature. Amounts in a safe drinking water revolving fund are restricted in use to those purposes authorized by the Safe Drinking Water Act including, among other purposes, making loans at or below market rates to public water systems to fund costs of facilities needed to achieve or maintain compliance with the Safe Drinking Water Act and to protect the public health. As a condition of receiving federal safe drinking water revolving fund grant monies, states are required to provide state matching funds in an amount equal to 20% of the amount of the federal grant funds (the “Required State Matching Funds”).

Nevada Revised Statutes sections 445A.200 through 445A.295 (the “State Act”) establish an Account for the Revolving Fund (the “Drinking Water State Revolving Fund” or “DWSRF”) in connection with the State’s program to implement certain provisions of the federal Safe Drinking Water Act. Funds in the DWSRF are used to make loans to certain eligible entities for eligible projects under the Safe Drinking Water Act. Payments of principal of and interest on these loans are required to be deposited back in the DWSRF.

All community water systems, whether publicly or privately owned, as well as non-profit, non-community water systems, are potentially eligible to receive DWSRF funding. Water systems owned by the federal government are not eligible to receive DWSRF funding. Systems that lack the technical, financial and managerial capability to ensure compliance with the requirements of the State Act are not eligible for assistance, unless the owner or operator agrees to make feasible and appropriate changes in operations to ensure compliance over the long term. A loan cannot be used by a system solely for the purpose of expanding the water system. Water system consolidation or regionalization, however, is a fundable capital improvement project.

Eligible projects generally include projects that further health protection objectives including rehabilitation or development of water resources to replace contaminated sources, installation or upgrading of facilities to improve quality of water (treatment), installation or upgrading of storage facilities, or installation or replacement of transmission or distribution pipes.

Loans are generally made for a term of 20 years, although shorter or longer terms (up to 30 years) may be agreed to in appropriate circumstances if the loan does not exceed the assets’ useful life. Interest rates on loans from the DWSRF are currently established at or below market rates, benchmarked to widely distributed indices as outlined in the Debt Management Policy of the Board of Finance, and fixed for the life of the loan.

The State Act authorizes the State to issue bonds if viable to carry out the purposes of the DWSRF. Eligible purposes for which bonds can be issued include generating funds to make loans (“Leveraged Bonds”) and providing money for the Required State Matching Funds (“State Match Bonds”). Under the State Act, the State is required to pledge, as primary source of payment for Leveraged Bonds and State Match Bonds, the money in the DWSRF that is available for the payment of the interest and installments of principal on such bonds. The State Act also permits the full faith and credit of the State to be pledged as additional security for the payment of such bonds. Funds available for the payment of State Match Bonds are limited to interest earnings in the DWSRF and interest payments received by the DWSRF on all loans made from the DWSRF. Funds available for the payment of Leveraged Bonds, if and when Leveraged Bonds are issued, consist of interest earnings in the DWSRF as well as interest and principal payments received by the DWSRF on all loans made from the DWSRF. As of the date of this Official Statement, the State has not issued any Leveraged Bonds for the DWSRF program. The 2021E Bonds are being issued as State Match Bonds.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

The following table sets forth the earnings and loan interest payments that the State considers available for payment of principal of and interest on State Match Bonds.

Table 1
STATE OF NEVADA DRINKING WATER REVOLVING FUND
Projected Revenues Available for Debt Service
As of June 30, 2021

Fiscal Year	Carryforward Cash Available for State Match Bonds Debt Service ⁽¹⁾ (A)	Fund Earnings and Loan Interest Payments ⁽²⁾ (B)	State Match Bonds Debt Service (C)	State Match Bonds Coverage (D)=(A+B)/C
2022	\$11,683,087.45	\$4,694,708.98	\$3,078,912.50	5.32
2023	13,298,883.93	5,387,213.19	3,269,031.25	5.72
2024	15,417,065.87	4,661,089.60	3,005,287.50	6.68
2025	17,072,867.97	4,494,293.43	2,921,512.50	7.38
2026	18,645,648.90	4,481,654.91	2,359,112.50	9.80
2027	20,768,191.31	4,538,763.35	2,110,300.00	11.99
2028	23,196,654.67	4,601,824.69	1,864,587.50	14.91
2029	25,933,891.85	4,659,831.64	1,622,575.00	18.86
2030	28,971,148.50	4,713,516.04	1,389,031.25	24.25
2031	32,295,633.29	4,757,740.32	1,150,993.75	32.19
2032	35,902,379.86	4,811,441.58	943,262.50	43.16
2033	39,770,558.94	4,869,268.42	750,831.25	59.45
2034	43,888,996.11	4,936,331.71	588,212.50	83.01
2035	48,237,115.32	4,994,087.50	444,375.00	119.79
2036	52,786,827.82	5,064,025.85	338,625.00	170.84
2037	57,512,228.67	5,138,179.81	329,175.00	190.33
2038	62,321,233.49	5,211,335.04	319,725.00	211.22
Total		\$82,015,306.08	\$26,485,550.00	

(1) Consists of accumulated estimated interest payments on loans and accumulated and estimated interest earnings on the fund in excess of the amount required to pay debt service on State Match Bonds. To the extent available, carryforward cash is pledged to pay debt service on State Match Bonds.

(2) Consists of estimated interest payments on loans and estimated interest earnings on the fund which are pledged to pay debt service on State Match Bonds.

Source: State of Nevada Department of Conservation and Natural Resources

The State has not covenanted in the various Orders of the State Treasurer or related Resolutions of the Board of Finance authorizing the issuance of State Match Bonds to maintain a minimum level of coverage or to restrict the use of funds in the DWSRF, except to purposes permitted by the Safe Drinking Water Act. State law permits the issuance of securities to be issued by the State with a lien on the State Match Bond Pledged Revenues that is senior to that of the State Match Bonds. The State has not issued any obligations with a lien senior to the lien securing the State Match Bonds.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

The following table identifies the various borrowers with loans outstanding from the DWSRF, including the principal amount of loans outstanding, the nature of the security for the loan, and the percentage of the principal amount of loans outstanding of each borrower to the total principal amount of loans outstanding.

Table 2
STATE OF NEVADA SAFE DRINKING WATER REVOLVING FUND
Schedule of Loans
As of July 1, 2021

Local Entity	Year Loan Made	Loan Balance Outstanding	Security	Total By Entity*	Portion of Total Program Borrowing Outstanding*
Big Bend Water District	2003	\$ 894,309.22	GO/Revenue		
Big Bend Water District	2004	696,517.57	GO/Revenue	\$ 1,590,826.79	0.98%
Carson City, City of	2009	1,470,270.25	GO/Revenue		
Carson City, City of	2010	12,750,821.44	GO/Revenue		
Carson City, City of	2018	10,103,000.00	GO/Revenue		
Carson City, City of	2014	4,566,133.01	GO/Revenue	28,890,224.70	17.76%
Carver's Smokey Valley RV	2009	35,555.53	Private Company	35,555.53	0.02%
Country Terrace, LLC	2002	48,020.38	Private Company	48,020.38	0.03%
Douglas County	2005	190,571.88	GO/Revenue		
Douglas County	2009	1,217,438.75	GO/Revenue		
Douglas County	2010	590,904.93	GO/Revenue		
Douglas County	2011	598,349.14	GO/Revenue		
Douglas County	2012	719,578.67	GO/Revenue		
Douglas County	2014	702,578.47	GO/Revenue		
Douglas County	2021	153,760.26	GO/Revenue	4,173,182.10	2.56%
Dutchman Acres	2010	25,727.01	Private Company	25,727.01	0.02%
Fallon, City of	2002	446,802.00	GO/Revenue		
Fallon, City of	2007	615,587.00	GO/Revenue	1,062,389.00	0.65%
IGWT Investments -Frontier	2011	196,913.08	Private Company	196,913.08	0.12%
Gardnerville Ranchos GID	2000	448,534.21	Revenue		
Gardnerville Ranchos GID	2003	289,988.17	Revenue	738,522.38	0.45%
Gold Country Water Company	2008	180,323.91	Private Company		
Gold Country Water Company	2011	420,656.47	Private Company	600,980.38	0.37%
Henderson, City of	2000	564,098.41	GO/Revenue	564,098.41	0.35%
Incline Village GID	2004	424,621.04	GO/Revenue		
Incline Village GID	2012	1,786,306.35	GO/Revenue	2,210,927.39	1.36%
Indian Hills GID	2003	489,659.54	Revenue		
Indian Hills GID	2010	644,636.57	GO/Revenue	1,134,296.11	0.70%
Kingsbury GID	2003	459,637.59	GO/Revenue		
Kingsbury GID	2007	1,291,001.93	GO/Revenue		
Kingsbury GID	2010	1,657,564.11	GO/Revenue		
Kingsbury GID	2012	7,341,387.37	GO/Revenue		
Kingsbury GID	2015	4,505,705.04	GO/Revenue	15,255,296.04	9.38%
Lamoille Water Users, Inc.	2008	375,876.08	Private Company	375,876.08	0.23%
Las Vegas Valley Water District	2015	15,981,543.95	Revenue		
Las Vegas Valley Water District	2016	13,440,659.81	Revenue		
Las Vegas Valley Water District	2017	13,560,226.61	Revenue	42,982,430.37	26.42%
Lovelock Meadows Water District	2017	3,856,588.80	GO/Revenue	3,856,588.80	2.37%
Moapa Valley Water District	2017	2,292,603.90	GO/Revenue		
Moapa Valley Water District	2008	643,101.59	GO/Revenue	2,935,705.49	1.80%
North Las Vegas, City of	2017	5,819,357.16	GO/Revenue		
North Las Vegas, City of	2018	16,747,970.93	GO/Revenue	22,567,328.09	13.87%
Round Hill GID	2006	206,034.66	GO/Revenue		
Round Hill GID	2011	495,532.61	GO/Revenue	701,567.27	0.43%
Sierra Estates GID	2008	99,857.59	GO/Revenue	99,857.59	0.06%
Southern Nevada Water Authority	2001	342,544.58	Revenue		
Southern Nevada Water Authority	2009	1,012,323.20	Revenue	1,354,867.78	0.83%
Steamboat Springs Water Works	2013	25,691.93	Private Company	25,691.93	0.02%
Sun Valley GID	2014	2,687,263.58	GO/Revenue		
Sun Valley GID	2014	1,413,150.29	GO/Revenue	4,100,413.87	2.52%
Topaz Lake Water Co.	2009	354,661.76	Private Company	354,661.76	0.22%
Topaz Ranch Estates	2016	308,819.69	Revenue	308,819.69	0.19%

(table continued on next page)

Local Entity	Year Loan Made	Loan Balance Outstanding	Security	Total By Entity*	Portion of Total Program Borrowing Outstanding*
Truckee Meadows Water Authority	2005	1,106,269.98	Revenue		
Truckee Meadows Water Authority	2009	989,349.72	Revenue		
Truckee Meadows Water Authority	2010	2,489,115.49	Revenue		
Truckee Meadows Water Authority	2014	3,337,383.43	Revenue		
Truckee Meadows Water Authority	2015	7,168,518.53	Revenue	15,090,637.15	9.28%
Virgin Valley Water District	2015	9,441,140.00	GO/Revenue	9,441,140.00	5.80%
West Wendover, City of	2019	1,979,226.54	GO/Revenue	1,979,226.54	1.22%
TOTAL*		\$162,701,771.71			100.00%
		\$100,073,408.65	GO/Revenue		
		\$60,964,936.91	Revenue		
		\$1,663,426.15	Private Company		

*Totals may not add exactly due to rounding.

Source: State of Nevada Department of Conservation and Natural Resources

PART IV

**INFORMATION CONCERNING ADDITIONAL SECURITY FOR THE
SERIES 2021F BONDS ONLY**

Part IV of this Official Statement contains information concerning the State's Water Pollution Control Revolving Fund Program, and supplements the information contained in the other parts of this Official Statement. **The security described in this Part IV is applicable only to the 2021F Bonds.**

[THIS PAGE INTENTIONALLY LEFT BLANK]

WATER POLLUTION CONTROL REVOLVING FUND PROGRAM

Under the federal Water Pollution Control Act of 1972 (33 U.S.C. §§ 1251 et seq, as amended) (the “Clean Water Act”) and various appropriation bills, federal capitalization grants are made to the various states for deposit in a clean water revolving fund. A clean water revolving fund established by a state is perpetual in nature. Amounts in a clean water revolving fund are restricted in use to those purposes authorized by the Clean Water Act including, among other purposes, making loans at or below market rates to municipalities and interstate agencies to fund costs of facilities needed to achieve or maintain compliance with the Clean Water Act and to protect the public health. As a condition of receiving federal clean water revolving fund grant moneys, states are required to provide state matching funds in an amount equal to 20% of the amount of the federal grant funds (the “Required State Matching Funds”).

Nevada Revised Statutes Sections 445A.060 through 445A.160 (the “State Act”) establish an Account to Finance the Construction of Treatment Works and the Implementation of Pollution Control Projects (the “Water Pollution Control Revolving Fund Account” or “CWSRF”) in connection with the State’s program to implement certain provisions of the federal Clean Water Act. Funds in the CWSRF are used to make loans to municipalities and interstate agencies for eligible projects under the Clean Water Act. Payments of principal of and interest on these loans are required to be deposited back in the CWSRF.

Municipalities, including any city, town, county, district, association or other public body created under State law having jurisdiction over wastewater, or Indian tribes or tribal organizations, and certain interstate agencies are eligible to receive financial assistance from the CWSRF.

Eligible projects generally include construction of treatment works (devices and systems used in the storage, treatment, recycling and reclamation of municipal sewage, including intercepting sewers, outfall sewers, sewage collection systems, pumping, power and other related equipment) and implementation of pollution control projects.

Loans are generally made for a term of 20 years, although shorter or longer terms (up to 30 years) may be agreed to in appropriate circumstances if the loan does not exceed the assets’ useful life. Interest rates on loans from the CWSRF are currently established at or below market rates, benchmarked to widely distributed indices as outlined in the Debt Management Policy of the Board of Finance, and fixed for the life of the loan.

The State Act authorizes the State to issue bonds if viable to carry out the purposes of the CWSRF. Eligible purposes for which bonds can be issued include generating funds to make loans (“Leveraged Bonds”) and providing money for the Required State Matching Funds (“State Match Bonds”). Under the State Act, the State is required to pledge, as primary source of payment for Leveraged Bonds and State Match Bonds, the money in the CWSRF that is available for the payment of the interest and installments of principal on such bonds. The State Board of Finance must also certify that sufficient revenue will be available in the CWSRF to pay the interest and installments of principal on such bonds as they become due. The State Act also permits the full faith and credit of the State to be pledged as additional security for the payment of such bonds. Funds available for the payment of State Match Bonds are limited to interest earnings on funds in the CWSRF and interest payments received by the CWSRF on all loans made from the CWSRF. Funds available for the payment of Leveraged Bonds include the interest earnings as well as the interest and principal payments on all loans made from the CWSRF. The 2021F Bonds are being issued as State Match Bonds.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

The following table sets forth the earnings and loan interest payments that the State considers available for payment of principal of and interest on State Match Bonds and Leveraged Bonds.

Table 1
STATE OF NEVADA WATER POLLUTION CONTROL REVOLVING FUND
Projected Revenues Available for Debt Service
As of June 30, 2021

Fiscal Year	Carryforward Cash Available for State Match Bonds and Leveraged Bonds Debt Service ⁽¹⁾	Fund Earnings and Loan Interest Payments ⁽²⁾	State Match Bonds Debt Service ⁽³⁾	State Match Bonds Coverage	Loan Principal Payments ⁽³⁾	Revenues Available for State Match Bonds and Leveraged Bonds Debt Service ⁽⁴⁾	State Leveraged Bonds Debt Service	Combined State Match Bonds and Leveraged Bonds Debt Service	Combined State Match Bonds and Leveraged Bonds Coverage
	(A)	(B)	(C)	(D)=(A+B)/C	(E)	(F)=A+B+E	(G)	(H)=C+G	(I)=F/H
2022	\$29,951,839.43	\$6,058,300.55	\$720,900.00	49.95	\$21,589,542.94	\$57,599,682.92	\$5,449,575.00	\$6,170,475.00	9.33
2023	35,289,239.98	7,390,385.82	2,328,987.50	18.33	21,291,979.44	63,971,605.24	5,442,800.00	7,771,787.50	8.23
2024	37,639,473.35	7,272,053.12	2,105,825.00	21.33	27,689,371.05	72,600,897.52	1,930,575.00	4,036,400.00	17.99
2025	14,375,377.27	6,881,118.39	1,883,700.00	11.28	25,903,064.43	47,159,560.09	2,680,950.00	4,564,650.00	10.33
2026	19,372,795.66	6,933,146.45	1,688,725.00	15.58	25,073,114.42	51,379,056.53	3,195,575.00	4,884,300.00	10.52
2027	20,067,822.71	7,074,605.78	1,502,625.00	18.06	24,338,701.70	51,481,130.19	3,079,825.00	4,582,450.00	11.23
2028	20,008,305.19	7,274,920.54	1,324,437.50	20.60	25,236,235.25	52,519,460.97	2,773,950.00	4,098,387.50	12.81
2029	20,052,885.97	7,485,074.54			26,862,900.31	54,400,860.82	2,672,825.00	2,672,825.00	20.35
2030	20,035,660.82	7,711,115.22			27,505,399.37	55,252,175.41	2,566,575.00	2,566,575.00	21.53
2031	20,088,600.41	7,945,804.55			28,020,647.10	56,055,052.06	2,465,200.00	2,465,200.00	22.74
2032	20,091,652.06	8,194,004.50			26,880,430.03	55,166,086.59	2,363,575.00	2,363,575.00	23.34
2033	20,005,686.59	8,457,516.89			27,771,997.02	56,235,200.50	2,263,400.00	2,263,400.00	24.85
2034	20,070,600.50	8,741,290.81			28,707,121.52	57,519,012.83	2,160,400.00	2,160,400.00	26.62
2035	20,019,012.83	9,063,212.59			28,813,925.65	57,896,151.08	1,664,600.00	1,664,600.00	34.78
2036	20,096,151.08	9,401,680.61			30,104,738.44	59,602,570.12			
2037	20,002,570.12	9,765,669.37			29,563,411.54	59,331,651.04			
2038	20,031,651.04	10,136,949.40			29,687,089.32	59,855,689.76			
2039	20,055,689.76	10,504,700.73			31,123,473.84	61,683,864.32			
2040	20,083,864.32	10,877,998.95			33,110,468.04	64,072,331.31			
2041	20,072,331.31	11,267,253.36			31,356,070.81	62,695,655.48			
2042	20,095,655.48	11,620,066.68			32,578,021.29	64,293,743.45			
2043	31,715,722.16	11,303,529.16			35,227,558.99	78,246,810.31			
2044	43,019,251.32	10,950,314.59			33,487,032.74	87,456,598.65			
		\$202,310,712.59	\$11,555,200.00		\$651,922,295.24		\$40,709,825.00	\$52,265,025.00	

- (1) Consists of accumulated estimated interest payments on loans and accumulated and estimated interest earnings on the fund in excess of the amount required to pay debt service on both State Match Bonds and Leveraged Bonds. To the extent available, carryforward cash is pledged to pay debt service on both State Match Bonds and Leveraged Bonds.
- (2) Consists of estimated interest payments on loans and estimated interest earnings on the fund which are pledged to pay debt service on both State Match Bonds and Leveraged Bonds.
- (3) Consists of estimated principal payments on loans which are pledged to pay debt service on the Leveraged Bonds. Excludes carryforward accumulated estimated principal payments on loans in excess of the amount required to pay debt service on Leveraged Bonds. To the extent available, carryforward principal is pledged to pay debt service on the Leveraged Bonds.
- (4) Consists of estimated interest payments on loans; estimated interest earnings on the fund; and to the extent available, carryforward cash; all of which are pledged to pay debt service on both State Match Bonds and Leveraged Bonds. Also includes estimated principal payments on loans which are pledged to pay debt service on the Leveraged Bonds.

Source: State of Nevada Department of Conservation and Natural Resources

The State has not covenanted in the various Orders of the State Treasurer or related Resolutions of the Board authorizing the issuance of the State Match Bonds or the Leveraged Bonds to maintain a minimum level of coverage or to restrict the use of funds in the CWSRF, except to purposes permitted by the Clean Water Act. State law also permits securities to be issued by the State with a lien on the pledged revenues that is senior to that of the State Match Bonds or the Leveraged Bonds. The State has not issued any obligations with a lien senior to the lien securing the State Match Bonds or the Leveraged Bonds.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

The following table identifies the various borrowers with loans outstanding from the CWSRF, including the principal amount of loans outstanding, the nature of the security for the loan, and the percentage of the principal amount of loans outstanding of each borrower to the total principal amount of loans outstanding.

Table 2
STATE OF NEVADA WATER POLLUTION CONTROL REVOLVING FUND
Schedule of Loans
As of July 1, 2021

Local Entity	Year Loan Made	Loan Balance Outstanding	Security	Total By Entity*	Portion of Total Program Borrowing Outstanding*
Carson City, City of	2010	\$ 1,520,648.30	GO/Revenue		
Carson City, City of	2014	19,287,670.71	GO/Revenue		
Carson City, City of	2015	9,744,087.30	GO/Revenue	\$ 30,552,406.31	13.01%
Clark Co Water Reclamation District	2009	2,484,229.1	GO/Revenue		
Clark Co Water Reclamation District	2011	24,422,237.92	GO/Revenue		
Clark Co Water Reclamation District	2012	20,818,439.08	GO/Revenue	47,724,906.13	24.68%
Douglas County	2016	4,903,138.01	GO/Revenue	4,903,138.01	2.09%
Douglas County Lake Tahoe Sewer Authority	2006	264,008.22	Revenue		
Douglas County Lake Tahoe Sewer Authority	2006	113,323.46	Revenue		
Douglas County Lake Tahoe Sewer Authority	2007	272,184.60	Revenue		
Douglas County Lake Tahoe Sewer Authority	2019	5,380,612.31	Revenue	6,030,128.59	2.57%
Fernley, City of	2015	4,697,507.00	GO/Revenue		
Fernley, City of	2017	1,252,301.66	GO/Revenue	5,949,808.66	2.53%
Hawthorne Utilities	2018	923,896.32	GO/Revenue	923,896.32	0.39%
Henderson, City of	2010	742,361.28	Revenue	742,361.28	0.32%
Incline Village General Improvement District	2002	186,958.77	Revenue		
Incline Village General Improvement District	2006	873,343.93	GO/Revenue	1,060,302.70	0.45%
Lyon County	2014	1,470,090.22	GO/Revenue		
Lyon County	2015	7,401,455.80	GO/Revenue	8,871,546.02	3.78%
Mesquite, City of	2009	10,310,300.25	GO/Revenue	10,310,300.25	4.39%
McGill Ruth Sewer and Water	2020	1,115,358.20	Revenue	1,115,358.20	0.47%
Minden Gardnerville Sanitation District	2009	617,333.05	Revenue	617,333.05	0.26%
North Las Vegas, City of	2017	42,029,422.39	GO/Revenue		
North Las Vegas, City of	2017	5,136,018.66	GO/Revenue	47,165,441.05	20.08%
Reno, City of	2016	15,872,430.70	GO/Revenue		
Reno, City of	2020	23,982,752.16	GO/Revenue	39,855,182.86	16.97%
Sparks, City of	2016	11,707,769.45	GO/Revenue	11,707,769.45	4.99%
Washoe County	2015	3,856,528.23	GO/Revenue		
Washoe County	2020	13,464,673.08	GO/Revenue	17,321,201.31	7.38%
TOTAL*		\$ 234,851,080.19			
		226,158,940.30	GO/Revenue		
		8,692,139.89	Revenue		
		-	Private Company		

*Totals may not add exactly due to rounding.

Source: State of Nevada Department of Conservation and Natural Resources

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]