Nevada System of Higher Education
Financial Statements

June 30, 2023

University of Nevada, Reno
College of Southern Nevada
Western Nevada College

University of Nevada, Las Vegas
Great Basin College
Desert Research Institute

Nevada State College
Truckee Meadows Community College
System Administration

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Nevada System of Higher Education
Financial Statements and Report of Independent Certified Public Accountants
As of and for the Year Ended June 30, 2023

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Regents
Nevada System of Higher Education

Report on the financial statements

Opinions

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of Nevada System of Higher Education (the “Entity”), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Entity’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Entity as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of: University of Nevada, Reno Foundation; Wolf Pack Athletic Association (formerly Athletic Association, University of Nevada Inc.); Desert Research Institute Foundation; Desert Research Institute Research Parks LTD; Truckee Meadows Community College Foundation; Great Basin College Foundation; University of Nevada, Las Vegas Foundation; University of Nevada, Las Vegas Research Foundation; University of Nevada, Las Vegas Medicine, Inc.; University of Nevada, Las Vegas Rebel Football Foundation; University of Nevada, Las Vegas Rebel Soccer Foundation; College of Southern Nevada Foundation, and Nevada State College Foundation which statements collectively reflect total assets constituting 95% of the aggregate discretely presented component units’ total assets as of June 30, 2023 and total operating revenues of 65% of the aggregate discretely presented component units’ total operating revenues for the year then ended as described in Note 23 "System Related Organizations." Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it related to the amounts included for these organizations, is based solely on the reports of the other auditors.

Basis for opinions

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

The financial statements of Great Basin College Foundation; University of Nevada, Las Vegas Rebel Football Foundation; and Nevada State College Foundation were not audited in accordance with *Government Auditing Standards* for the year ended June 30, 2023.

Emphasis of matter
As discussed in Note 2 to the financial statements, the Entity has adopted new accounting guidance on July 1, 2022 related to the accounting for information technology subscriptions under GASB Statement No.96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity's ability to continue as a going concern for a reasonable period of time.

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

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

Supplementary information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Entity's basic financial statements. The combining schedule of net position and the combining schedule of revenues, expenses and changes in net position: and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures. These additional procedures included comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial

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statements or to the basic financial statements themselves, and other additional procedures in accordance with US GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2024 on our consideration of the Entity's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Entity's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Entity's internal control over financial reporting and compliance.

Grant Thornton LLP

San Jose, California
May 28, 2024

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Unaudited

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Nevada System of Higher Education's (the System) annual financial information presents management's discussion and analysis of the financial standing as of June 30, 2023. This section provides a brief overview of noteworthy financial activity, identifies changes in financial position, and assists the reader in focusing on significant financial issues that occurred during the year ended June 30, 2023, with comparative information as of June 30, 2022.

Since this discussion provides summary level financial information, it should be read in conjunction with the System's financial statements and accompanying footnotes that follow this section. Responsibility for the financial statements, footnotes and this discussion rests with System management.

SYSTEM AND SYSTEM RELATED ORGANIZATIONS

The System is a consolidation of the following 8 institutions of public higher education in Nevada and the Nevada System of Higher Education Administration (the System or NSHE) entity:

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

This annual financial report and statements include the above institutions of the System as well as certain other organizations, also called component units, which have a significant relationship with the institutions. These component units are related tax-exempt organizations primarily founded to foster and promote the growth, progress, and general welfare of the institutions. They exist to solicit, receive, and administer gifts and donations for the institutions or, in the case of the UNLV Medicine, to facilitate patient care activities. The System component units are as follows:

University of Nevada, Reno Foundation
Wolf Pack Athletic Association (formerly Athletic Association, University of Nevada Inc.)
Desert Research Institute Foundation
Desert Research Institute Research Parks LTD
Truckee Meadows Community College Foundation

Western Nevada College Foundation
Great Basin College Foundation
University of Nevada, Las Vegas Foundation
University of Nevada, Las Vegas Research Foundation
University of Nevada, Las Vegas Medicine, Inc.
Rebel Golf Foundation
University of Nevada, Las Vegas Alumni Association
University of Nevada, Las Vegas Rebel Football Foundation
University of Nevada, Las Vegas Rebel Soccer Foundation
University of Nevada, Las Vegas Singapore Unlimited
College of Southern Nevada Foundation
Nevada State College Foundation

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

SYSTEM FINANCIAL HIGHLIGHTS FROM 2022 TO 2023 (in $1,000's)

- Total net position decreased by 2.6% from $2,037,539 to $1,985,065;
- Capital assets increased by 6.6% from $2,639,908 to $2,813,941;
- Operating revenues increased by 2.4% from $1,107,003 to $1,133,095;
- Nonoperating revenues decreased by 1.1% from $938,010 to $927,280; and
- Operating expenses increased by 5.3% from $2,052,428 to $2,161,470.

USING THIS REPORT

This report consists of a series of financial statements prepared in accordance with the Governmental Accounting Standards Board Statement No. 35, *Basic Financial Statements-and Management's Discussion and Analysis-for Public Colleges and Universities.* These statements focus on the financial condition of the System, the results of operations, and the cash flows of the System as a whole.

One of the most important questions asked about System finances is whether the System as a whole is better off as a result of the year's activities. There are three key components to answering this question. They are the Combined Statements of Net Position; the Combined Statements of Revenues, Expenses and Changes in Net Position; and the Combined Statements of Cash Flows. These statements present financial information in a form similar to that used by corporations. The System's net position (the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources) is an important gauge of the System's financial health when considered with non-financial facts such as enrollment levels and the condition of the facilities.

The Combined Statements of Net Position include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources. It is prepared under the accrual basis of accounting whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when a third party provides the services, regardless of when cash is exchanged.

The Combined Statements of Revenues, Expenses, and Changes in Net Position present the revenues earned and expenses incurred during the year. Activities are reported as either operating or nonoperating. All things being equal, a public higher education system's dependency on state appropriations will usually result in operating deficits. This is because the financial reporting model classifies state appropriations as nonoperating revenues. The utilization of long-lived assets, referred to as capital assets, is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

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

CONDENSED FINANCIAL INFORMATION

ASSETS AND LIABILITIES

The Combined Statements of Net Position is a point-in-time financial statement presenting the financial position of the System as of June 30, 2023, with a comparison made to June 30, 2022. This Statement presents end-of-year data for assets (current and noncurrent), deferred outflows of resources, liabilities (current and noncurrent), deferred inflows of resources, and net position (assets plus deferred outflows of resources minus liabilities plus deferred inflows of resources).

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

	2023	2022	Increase/ (Decrease)	Percent Change
Assets				
Current assets	$ 964,497	$ 1,096,457	$ (131,960)	-12.0%
Capital assets, net	2,813,941	2,639,908	174,033	6.6%
Other assets	390,670	402,686	(12,016)	-3.0%
Total Assets	4,169,108	4,139,051	30,057	0.7%
Deferred Outflows of Resources	307,126	215,711	91,415	42.4%
Liabilities				
Current liabilities	345,498	342,241	3,257	1.0%
Noncurrent liabilities	1,861,481	1,669,197	192,284	11.5%
Total Liabilities	2,206,979	2,011,438	195,541	9.7%
Deferred Inflows of Resources	284,190	305,785	(21,595)	-7.1%
Net Position				
Net investment in capital assets	1,977,893	1,850,785	127,108	6.9%
Restricted - Nonexpendable	93,463	92,763	700	0.8%
Restricted - Expendable	294,488	331,194	(36,706)	-11.1%
Unrestricted	(380,779)	(237,203)	(143,576)	60.5%
Total Net Position	$ 1,985,065	$ 2,037,539	$ (52,474)	-2.6%

Assets

Total assets of the System are currently showing an increase of $30.1 million, or 0.7%. The increase that occurred in total assets was primarily driven by an increase in net capital assets of $174.0 million. There were additions of buildings being capitalized at UNLV and UNR and, due to the adoption of

GASB 96 on July 1, 2022, there was a net restatement for Right-of-Use (ROU) assets of $56.3 million. Current assets decrease of $132.0 million was primarily driven by decreases of short-term investments of $204.4 million and receivables from the U.S. Government of $24.2 million being offset by an increase in cash and cash equivalents of $93.7 million. The decrease in short-term investments is related to the increase in cash and cash equivalents, which occurred as a result of a shift in investment allocations from short-term bonds to fixed interest securities, and from $54.7 million in payments from the operating pool to System campuses and divisions.

Liabilities

Total liabilities for the year increased by $195.5 million primarily driven by an increase in net pension liability of $228.4 million, lease payable of $15.9 million, and subscriptions payable of $48 million being offset by decreases in long-term debt of $47.3 million and net OPEB liability of $36.6 million. The adoption of GASB 96 on July 1, 2022 resulted in a restatement of subscription-based information technology arrangements (SBITA) payable at the beginning of the year of 53.8 million.

Deferred Outflows/Inflows of Resources

Deferred outflows of resources, a future consumption of net position, increased by $91.4 million. This increase relates to the pension-related deferred outflows of resources of $110 million, offset by the decrease in OPEB-related outflows of $12.6 million. Similarly, deferred inflows of resources, a future acquisition of net position, decreased by $21.6 million. This relates to increases in lease-related inflows of $37 million and OPEB-related inflows of $43.1 million, being offset by a decrease in other pension-related inflows of $105.5 million.

Net Position

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

Net Investment in Capital Assets

The net investment in capital assets represents the System's capital assets net of accumulated depreciation and outstanding principal balances of debt attributed to the acquisition, construction, or improvement of those assets. The $127.1 million increase reflects the System's expenditures for development and renewal of its capital assets, offset by depreciation expense on capital assets and increased debt associated with capital assets.

Restricted, Nonexpendable/Expendable

The System's endowment funds consist of both permanent endowments and funds functioning as endowments or quasi-endowments.

Permanent endowments are those funds received from donors with the stipulation that the principal remain inviolate and be invested in perpetuity to produce income that is to be expended for the purposes stipulated by the donor.

Restricted-expendable decreased by $36.7 million primarily driven by a decrease in net investment in restricted-expendable-capital projects of $29.7 million and restricted-expendable-scholarships, research and instruction of $9.7 million. The decrease in net investment in restricted-expendable-capital projects is related to the release of $30.9 million held by the State for the UNLV engineering building.

Unrestricted Net Position (deficit)

Unrestricted net position (deficit) decreased by $143.6 million in 2023. Although unrestricted net position is not subject to externally imposed stipulations, substantially all the System's unrestricted net position has been designated for various academic and research programs and initiatives, as well as capital projects. Funds functioning as an endowment consist of unrestricted funds that have been allocated by the System for long-term investment purposes, although amounts are not subject to donor restrictions requiring the System to preserve the principal in perpetuity. Programs supported by the endowment include scholarships, fellowships, professorships, research efforts and other important programs and activities. There are several reasons for the decrease in unrestricted net position including increases in expenditures for pensions, employee compensation and benefits, and utilities but the primary reason for the decrease was UNLV's purchase of several properties increasing their net investment in capital assets and reducing unrestricted net position by $101.3 million.

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

	2023	2022	Increase/ (Decrease)	Percent Change
Assets				
Current assets	$ 463,638	$ 415,667	$ 47,971	11.5%
Capital assets, net	47,756	7,462	40,294	540.0%
Other assets	596,741	528,301	68,440	13.0%
Total Assets	1,108,135	951,430	156,705	16.5%
Deferred Outflows of Resources	-	7	(7)	-100.0%
Liabilities				
Current liabilities	25,186	22,646	2,540	11.2%
Noncurrent liabilities	18,703	15,716	2,987	19.0%
Total Liabilities	43,889	38,362	5,527	14.4%
Deferred Inflows of Resources	19,972	18,844	1,128	6.0%
Net Position				
Net investment in capital assets	56,870	7,121	49,749	698.6%
Restricted - Nonexpendable	411,742	392,671	19,071	4.9%
Restricted - Expendable	518,035	439,453	78,582	17.9%
Unrestricted	57,627	54,986	2,641	4.8%
Total Net Position	$1,044,274	$ 894,231	$ 150,043	16.8%

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

REVENUES, EXPENSES AND CHANGES IN NET POSITION

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

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

The total Change in Net Position for fiscal year ended June 30, 2023, was a decrease of $52.5 million compared with an increase of $3.2 million for fiscal year ended June 30, 2022, a decrease of $49.3 million.

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

	2023	2022	Increase/ (Decrease)	Percent Change
Operating Revenues				
Student tuition and fees	$ 461,029	$ 477,348	$(16,319)	-3.4%
Federal grants and contracts	294,542	268,295	26,247	9.8%
Grants and contracts, other	100,586	95,560	5,026	5.3%
Sales and services	264,901	254,583	10,318	4.1%
Other	12,037	11,217	820	7.3%
Total Operating Revenues	1,133,095	1,107,003	26,092	2.4%
Operating Expenses				
Employee compensation and benefits	(1,392,160)	(1,245,173)	146,987	11.8%
Utilities	(41,922)	(30,109)	11,813	39.2%
Supplies and services	(469,557)	(448,976)	20,581	4.6%
Scholarships and fellowships	(104,145)	(195,329)	(91,184)	-46.7%
Depreciation	(153,686)	(132,841)	20,845	15.7%
Total Operating Expenses	(2,161,470)	(2,052,428)	109,042	5.3%
Operating Income (Loss)	(1,028,375)	(945,425)	82,950	8.8%
Nonoperating Revenues (Expenses)				
State appropriations	647,949	639,655	8,294	1.3%
Gifts	61,984	52,702	9,282	17.6%
Investment income (loss), net	84,090	(79,347)	163,437	-206.0%
Gain (loss) on disposal of capital assets	2,229	(5,189)	7,418	-143.0%
Interest expense	(26,925)	(26,577)	(348)	1.3%
Interest revenue	1,257	50	1,207	2414.0%
Payments to System campuses and divisions	(54,704)	(3,465)	(51,239)	1478.8%
Other nonoperating revenues	10,288	6,115	4,173	68.2%
Federal grants and contracts	201,112	354,066	(152,954)	-43.2%
Total Nonoperating Revenues	927,280	938,010	(10,730)	-1.1%
Total Other Revenues	40,151	10,582	29,569	279.4%
Increase (Decrease) in Net Position	(60,944)	3,167	(64,111)	-2024.3%
Net position - beginning of year - as originally reported	2,037,539	2,034,372	3,167	0.2%
Restatement for effect of change in reporting entity	8,470	-	8,470	0.0%
Net position - beginning of year - as restated	2,046,009	2,034,372	11,637	0.6%
Net position - end of year	$1,985,065	$2,037,539	$(52,474)	-2.6%

Operating Revenues

Operating revenues are the funds generated from the Systems primary operations and activities. Operating revenues increased by $26.1 million, or 2.4%. Federal grants and contracts increased by $26.2 million, or 9.8%. Sales and services increased by $10.3 million primarily from the increase in auxiliary and self-supporting activities that rebounded after the COVID-19 pandemic. Student tuition and fees decreased by $16.3 million, or 3.4%. A four percent increase in tuition and fee rates offset the small reductions in student enrollment.

Operating Expenses

Operating expenses refer to the funds spent or used to operate and maintain programs, services, and infrastructure. Operating expenses increased by $109 million, or 5.3%. The increases in operating expenses were driven by the increase in employee compensation and benefits of $147 million, supplies and services of $20.6 million, and depreciation of $20.8 million, offset by a decrease in scholarships and fellowships of $91.2 million. Restoration of the State budget cuts and restoration of most campus activities, mainly as a result of the COVID-19 pandemic, contributed to the increase in operating expenditures.

Nonoperating Revenues (Expenses)

Nonoperating revenues refer to funds or income generated by the System that are not derived from its primary operational activities and nonoperating expenses are expenses not directly related to the System's primary operational activities. Nonoperating net revenues decreased by $10.7 million, or 1.1%. This was led by an increase in investment income of $163.4 million and was offset by a decrease in federal grants and contracts of $153 million. In 2023, the investment markets improved helping offset decreases in federal grants and contracts related to COVID-19 funding provided in 2022.

Other revenue remained steady.

System Related Organizations (in $1,000s)

Component entities' ending net position increased $150 million from 2022 to 2023, as shown in the following schedule.

	2023	2022	Increase/ (Decrease)	Percent Change
Operating Revenues				
Patient revenue	$ 37,995	$ 40,490	$ (2,495)	-6.2%
Contract revenue	22,073	14,725	7,348	49.9%
Contributions	108,835	64,866	43,969	67.8%
Campus Support	8,374	6,831	1,543	22.6%
Special events and fundraising	1,853	1,879	(26)	-1.4%
Other operating revenues	16,033	14,866	1,167	7.9%
Total Operating Revenues	195,163	143,657	51,506	35.9%
Operating Expenses				
Employee compensation and benefits	(32,078)	(29,425)	2,653	9.0%
Supplies and services	(8,735)	(6,710)	2,025	30.2%
Program expenses, System Related Organizations	(21,384)	(16,040)	5,344	33.3%
Depreciation	(4,397)	(4,533)	(136)	-3.0%
Other operating expenses	(859)	(2,656)	(1,797)	-67.7%
Total Operating Expenses	(67,453)	(59,364)	8,089	13.6%
Operating Income (Loss)	127,710	84,293	43,417	51.5%

Nonoperating Revenues (Expenses)				
Investment income (loss), net	47,969	(39,345)	87,314	-221.9%
Payments to System campuses and divisions	(101,368)	(96,486)	(4,882)	5.1%
Other nonoperating revenues (expenses)	3,215	1,748	1,467	83.9%
Total Nonoperating Revenues (Expenses)	(50,184)	(134,083)	83,899	-62.6%
Income (Loss) before other revenue (expenses)	77,526	(49,790)	127,316	-255.7%
Other Revenues (Expenses)				
Additions to permanent endowments	72,366	32,767	39,599	120.9%
Other Foundation expenses	151	(189)	340	-179.9%
Total Other Revenues (Expenses)	72,517	32,578	39,939	122.6%
Increase (Decrease) in Net Position	150,043	(17,212)	167,255	-971.7%
NET POSITION				
Net position - beginning of year	894,231	912,917	(18,686)	-2.0%
ICS/Renown transfer	-	(1,474)	1,474	-100.0%
Net position - end of year	$ 1,044,274	$ 894,231	$ 150,043	16.8%

CASH FLOWS (in $1,000's)

Net cash flows increased when compared to 2022 as discussed further below. Net operating cash flows (amount of cash from operating activities) increased by less than 1%.

	2023	2022	Increase/ (Decrease)	Percent Change
Operating activities	$ (835,416)	$ (839,839)	$ 4,423	1%
Noncapital financing activities	876,160	1,052,137	(175,977)	-17%
Capital financing activities	(287,732)	(159,730)	(128,002)	-80%
Investing activities	287,053	(121,153)	408,206	-337%
Net increase (decrease) in cash	40,065	(68,585)	108,650	158%
Cash – beginning of year	131,161	199,746	(68,585)	-34%
Restatement for effect of change in reporting entity	3,080	-	3,080	100%
Cash – end of year	$ 174,306	$ 131,161	$ 43,145	33%

Operating Activities

Cash flows used for operating activities decreased by $4.4 million.

Noncapital Financing Activities

Cash flows from noncapital financing decreased by $176 million, or 17%. This decrease was primarily related to the decrease in federal grants and contracts of $133.3 million, from reductions in COVID-19 funds, and from a transfer of approximately $50 million to the UNR Foundation.

Capital Financing Activities

Cash flows used for capital and related financing activities increased by $128 million, or 80%. The variance in bond issuance and refunding is a decrease of $74 million. This indicates that the institutions issued or refinanced bonds considerably less in 2023 compared to the previous year. Additionally, cashflows declined as institutions spent $70.6 million more on purchasing capital assets in 2023 than in the previous year. The variance in the principal paid on capital debt from fiscal year 2022 is a decrease of cash used of $23.9 million. This indicates that the institutions paid $23.9 million less towards the principal on capital debt in 2023 than in the previous year.

Investment Activities

Cash flows from investing activities increased by $408.2 million, or 337%, as the result of investment activity. The variance in proceeds from sales and maturities of investments from fiscal year 2022 is an increase of $94.6 million. This increase indicates that the system received more from selling or maturing investments when compared to the previous year. The variance in the purchase of investments is a decrease of $286.4 million. This indicates that the System spent less on purchasing investments in 2023 than in the previous year. Finally, the System received $23.1 million more in interest and dividends from investments in 2023 than in the previous year.

CAPITAL ASSET AND DEBT ADMINISTRATION

As of June 30, 2023, the System had invested $2,813.9 million in a broad range of capital assets, including buildings, machinery and equipment, library books and media, art and other valuable collections, intangible assets, leased assets, land and due to the adoption on July 1, 2022 of GASB 96, net capital assets include Right-of-Use (ROU) assets and a net restatement of $56.3 million was due to the adoption of this accounting standard. This represents a net increase (including additions and deletions) of $174 million over June 30, 2022.

During fiscal year 2023, no new long-term debt was issued for capital projects. As of June 30, 2023, the coverage on the University Revenue Bonds (pledged revenues to maximum annual debt service) was 7.74 times, above the minimum required coverage of 1.50. For statutory purposes, the coverage was 1.93 times, above the minimum required coverage of 1.10. As of June 30, 2023, the coverage on the Community College Revenue Bonds (pledged revenues to maximum annual debt service) was 18.11 times, above the minimum required coverage of 1.50. For statutory purposes, the coverage was 2.33 times, above the minimum required coverage of 1.10. Coverage for the System's Revenue Bonds is based upon two formulas. The statutory coverage ratio is based upon pledged revenues described in Nevada Revised Statutes authorizing the issuance of revenue bonds. A second, comprehensive coverage ratio, is based upon all revenues pledged to the bonds (including the statutory revenues) in the bond resolutions adopted by the Board of Regents. The statutory and comprehensive coverage ratios feature different minimum coverage thresholds that govern the issuance of additional revenue bond debt.

FUTURE FINANCIAL EFFECTS

In recent years higher education services in Nevada have seen a slight decrease in demand. In fiscal year 2023, the System realized a net loss of student full time equivalent (FTE) enrollment of .3% or 205.28 average annual FTE students' system-wide compared to fiscal year 2022. Student FTE enrollments increased slightly at two community colleges. Student FTE enrollments decreased slightly at the universities, state college, and the other community colleges. These trends are generally consistent with those seen in other public higher education institutions nationally, and the System anticipates enrollments system-wide in fiscal year 2024 will remain relatively flat.

The legislatively approved System operating budget includes state appropriations and authorized expenditures (State Supported Operating Budget). The Operating Budget totals $1.234 billion for fiscal year 2024. This compares to the fiscal year 2023 Operating Budget of $1.066 billion and represents a 15.7% increase. General Fund revenues of $848.2 million are anticipated in fiscal year 2024, an increase when compared to the General Fund revenues of $648.3 million in fiscal year 2023. This is approximately $200 million more for fiscal year 2024 or 30.8% due mainly to legislative actions that implemented a 12% cost of living adjustment for employees, as well as $65.9 million for multiple one-time expenditures, including $10 million for grant programs to expand nursing programs and $14.7 million for enrollment recovery at five institutions.

Other authorized revenue sources, consisting mainly of student fee revenues, total $375.3 million in fiscal year 2024, approximately $42 million less than in fiscal year 2023. The main reason for the reduction in other authorized revenue is due to the elimination of the American Reduction Plan Act (ARPA) funds which amounted to $57.7 million in fiscal year 2023. Student fees remain stable at approximately 30% of the State Supported Operating Budget and are expected to do so for the foreseeable future.

Student enrollment system-wide is not anticipated to exceed projected and budgeted enrollment in fiscal year 2024; however individual institutions may exceed projected enrollment. Pursuant to Senate Bill 504 of the 2023 legislative session, the System may budget and expend, in the State Supported Operating Budget, any additional collections of student fee revenues over that budgeted due to increased enrollment or Board of Regent authorized increases in tuition and fees. As before, it is expected that additional funds will be expended in direct support of the increased student enrollments through instruction and related support services.

Since March 17, 2020, the spread of COVID-19 has severely impacted many state and local economies around the country. In many states, colleges and universities were forced to cease or restructure operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services triggered significant disruptions to operations nationally, resulting in an economic slowdown. Global stock markets also experienced great volatility and significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. As of June 30, 2023, the date of these financial statements, operations have substantially returned to pre-pandemic levels. State and non-state revenues have rebounded substantially, and we anticipate they will continue to improve in fiscal year 2024. 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, 2023, have not been adjusted to reflect their impact.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain information provided by the System, including statements written in this discussion and analysis or made orally by its representatives, may contain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Other than statements of historical facts, all statements that address activities, events, or developments that the System expects or anticipates will or may occur in the future contain forward-looking information.

In reviewing such information, it should be kept in mind that actual results may differ materially from those projected or suggested in such forward-looking information. This forward-looking information is based upon various factors and was derived using various assumptions. The System does not update forward-looking information contained in this report or elsewhere to reflect actual results, changes in assumptions, or changes in other factors affecting such forward-looking information.

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NEVADA SYSTEM OF HIGHER EDUCATION
COMBINED STATEMENTS OF NET POSITION (in $1,000's)
AS OF JUNE 30, 2023

	System	System Related Organizations
ASSETS		
Current Assets		
Cash and cash equivalents	$ 165,180	$ 89,338
Restricted cash and cash equivalents	-	12,641
Short-term investments	572,964	322,231
Accounts receivable, net	50,251	3,835
Receivable from U.S. Government	121,674	5,366
Receivable from State of Nevada	14,228	-
Receivables from other institutions	224	-
Pledges receivable, net	-	18,453
Patient accounts receivable, net	-	5,483
Current portion of loans receivable, net	785	30
Due from System Related Organizations	3,373	1,682
Leases receivable	7,531	-
Leases receivable Due from Related Organizations	2,888	-
Inventories	6,560	427
Deposits and prepaid expenditures, current	17,029	351
Other current assets	1,810	3,801
Total Current Assets	964,497	463,638
Noncurrent Assets		
Due from affiliates	7	-
Cash held by State Treasurer	515	-
Restricted cash and cash equivalents	8,611	-
Investments	-	91,830
Restricted investments	-	18,864
Endowment investments	295,904	412,744
Deposits and prepaid expenditures	203	-
Loans receivable, net	4,206	47
Leases receivable	65,712	-
Leases receivable Due from System Related Organizations	15,437	-
Capital assets, net	2,813,941	47,756
Pledges receivable, net	-	13,082
Other noncurrent assets	75	60,174
Total Noncurrent Assets	3,204,611	644,497
TOTAL ASSETS	4,169,108	1,108,135
DEFERRED OUTFLOWS OF RESOURCES		
OPEB related	38,129	-
Loss on bond refunding	2,728	-
Pension related	266,269	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	307,126	-

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

NEVADA SYSTEM OF HIGHER EDUCATION
COMBINED STATEMENTS OF NET POSITION (in $1,000's)
(CONTINUED)
AS OF JUNE 30, 2023

	System	System Related Organizations
LIABILITIES		
Current Liabilities		
Accounts payable	48,272	3,682
Accrued payroll and related liabilities	101,696	1,287
Unemployment insurance and workers' compensation	3,682	-
Due to other institutions	1	-
Due to System Related Organizations	1,682	3,373
Current portion of compensated absences	41,981	-
Current portion of long-term debt	36,829	-
Current portion of leases payable	8,588	81
Current portion of subscriptions payable	14,207	-
Leases payable due to System Related Organizations	-	2,888
Accrued interest payable	12,041	-
Unearned revenue	70,806	57
Funds held in trust for others	2,687	78
Other current liabilities	3,026	13,740
Total Current Liabilities	345,498	25,186
Noncurrent Liabilities		
Refundable advances under federal loan programs	3,394	-
Compensated absences	22,255	-
Long-term debt	670,660	-
Lease payable due to System Related Organizations	-	15,437
Leases payable	44,408	315
Subscriptions payable	33,853	-
Unearned revenue	-	1,369
Net pension liability	501,370	-
Net OPEB liability	584,918	-
Due to affiliates	-	7
Other noncurrent liabilities	623	1,575
Total Noncurrent Liabilities	1,861,481	18,703
TOTAL LIABILITIES	2,206,979	43,889
DEFERRED INFLOWS OF RESOURCES		
Service concession arrangements	1,531	-
Deferred inflows on leases	90,978	11,540
OPEB related	68,415	-
Gain on bond refunding	4,061	-
Pension related	119,205	-
Split-interest agreements	-	8,432
TOTAL DEFERRED INFLOWS OF RESOURCES	284,190	19,972
NET POSITION		
Net investment in capital assets	1,977,893	56,870
Restricted - Nonexpendable	93,463	411,742
Restricted - Expendable - Scholarships, research and instruction	220,123	517,786
Restricted - Expendable - Loans	5,680	-
Restricted - Expendable - Capital projects	25,661	249
Restricted - Expendable - Debt service	43,024	-
Unrestricted	(380,779)	57,627
TOTAL NET POSITION	$ 1,985,065	$ 1,044,274

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

NEVADA SYSTEM OF HIGHER EDUCATION
COMBINED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (in $1,000's)
AS OF JUNE 30, 2023

	System	System Related Organizations
Operating Revenues		
Student tuition and fees (net of scholarship allowance of $224,417)	$ 461,029	$ -
Federal grants and contracts	294,542	-
State grants and contracts	53,625	-
Local grants and contracts	3,227	-
Other grants and contracts	43,734	-
Campus support	-	8,374
Sales and services of educational departments (including $31,679 from System Related Organizations)	173,894	-
Sales and services of auxiliary enterprises (net of scholarship allowance of $9,756)	91,007	-
Contributions	-	108,835
Patient revenue	-	37,995
Contract revenue	-	22,073
Special events and fundraising	-	1,853
Interest earned on loans receivable	87	-
Other operating revenues	11,950	16,033
Total Operating Revenues	1,133,095	195,163
Operating Expenses		
Employee compensation and benefits	(1,392,160)	(32,078)
Utilities	(41,922)	-
Supplies and services	(469,557)	(8,735)
Scholarships and fellowships	(104,145)	-
Program expenses, System Related Organizations	-	(21,384)
Depreciation and amortization	(153,686)	(4,397)
Other operating expenses	-	(859)
Total Operating Expenses	(2,161,470)	(67,453)
Operating Income (Loss)	(1,028,375)	127,710
Nonoperating Revenues (Expenses)		
State appropriations	647,949	-
Gifts (including $60,118 from System Related Organizations)	61,984	-
Investment income (loss), net	84,090	47,969
Gain (loss) on disposal of capital assets	2,229	-
Interest expense	(26,925)	(362)
Interest revenue	1,257	-
Payments to System campuses and divisions	(54,704)	(101,368)
Other nonoperating revenues	10,288	3,577
Federal grants and contracts	201,112	-
Total Nonoperating Revenues (Expense)	927,280	(50,184)
Income (Loss) Before Other Revenue (Expenses)	(101,095)	77,526
Other Revenues (Expenses)		
State appropriations restricted for capital purposes	19,438	-
Capital grants and gifts (including $16,916 from System Related Organizations)	20,168	-
Return of capital gifts	(2)	-
Additions to permanent endowments (including $424 to System Related Organizations)	547	72,366
Other System Related Organization revenue	-	151
Total Other Revenues	40,151	72,517
Increase (Decrease) in Net Position	(60,944)	150,043
NET POSITION		
Net position - beginning of year - as originally reported	2,037,539	894,231
Restatement for effect of change in reporting entity	8,470	-
Net position - beginning of year - as restated	2,046,009	894,231
Net position - end of year	$ 1,985,065	$ 1,044,274

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

NEVADA SYSTEM OF HIGHER EDUCATION
COMBINED STATEMENT OF CASH FLOWS (in $1,000's)
AS OF JUNE 30, 2023

	System
Cash flows from operating activities	
Tuition and fees	$ 458,823
Grants and contracts	391,173
Payments to suppliers	(469,857)
Payments for utilities	(41,584)
Payments for compensation and benefits	(1,361,292)
Payments for scholarships and fellowships	(104,145)
Loans issued to students and employees	(515)
Collection of loans to students and employees	713
Sales and services of educational departments	182,720
Sales and services of auxiliary enterprises	90,457
Insurance recoveries	2,000
Receipts under third party events	31,147
Disbursements under third party event	(31,565)
Receipts under federal student loan programs	120,620
Disbursements under federal student loan programs	(116,635)
Receipts under external awards and others	16,309
Disbursments under external awards and others	(16,727)
Other receipts	12,942
Cash flows from operating activities	(835,416)
Cash flows from noncapital financing activities	
State appropriations	642,840
Transfers from System Administration	(54,680)
Gifts and grants for other than capital purposes	61,496
Gifts for endowment purposes	597
Other	10,361
Principal paid on noncapital debt	(4,658)
Interest paid on capital debt	(57)
Federal grants and contracts	220,584
Interest paid on noncapital debt	(323)
Cash flows from noncapital financing activities	876,160
Cash flows from capital and related financing activities	
Proceeds from capital debt	571
Payments for debt issuance costs	(216)
Capital appropriations	19,567
Capital grants and gifts received	21,123
Bond issuance and refunding	444
Purchases of capital assets	(247,248)
Proceeds from sale of property and equipment	3,877
Principal paid on capital debt	(61,553)
Interest paid on capital debt	(24,335)
Deposits for the acquisition of property and equipment	38
Cash flows from capital and related financing activities	(287,732)
Cash flows from investing activities	
Proceeds from sales and maturities of investments	325,017
Purchase of investments	(72,775)
Interest and dividends received on investments	34,257
Net increase in cash equivalents, noncurrent investments	554
Cash flows from investing activities	287,053
Net increase in cash	40,065
Cash and cash equivalents, beginning of year - as originally reported	131,161
Restatement for effect of change in reporting entity	3,080
Cash and cash equivalents, beginning of year - as restated	134,241
Cash and cash equivalents, end of year	$ 174,306

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

NEVADA SYSTEM OF HIGHER EDUCATION
COMBINED STATEMENT OF CASH FLOWS (in $1,000's)
(CONTINUED)
AS OF JUNE 30, 2023

		System
Reconciliation of operating loss to cash flows from operating activities		
Operating loss	$	(1,028,375)
Adjustments to reconcile operating loss to cash used in operating activities:		
Supplies expense related to noncash gifts		313
Depreciation and amortization expense		153,686
Change in pension related deferred outflows of resources		(105,352)
Change in pension related deferred inflows of resources		(100,972)
Change in OPEB related deferred outflows of resources		12,127
Change in OPEB related deferred inflows of resources		41,609
Change in service concession arrangements deferred inflows of resources		321
Change in lease related deferred inflows of resources		(1,143)
Changes in assets and liabilities:		
Accounts receivable, net		(607)
Receivable from U.S. Government		502
Receivable from State of Nevada		(1,254)
Loans receivable, net		717
Inventories		3,781
Due from other institutions		630
Due from System Related Organizations		1,170
Deposits and prepaid expenditures		4,457
Other assets		(494)
Accounts payable		(2,361)
Accrued payroll and related liabilities		(646)
Due to other institutions		159
Due to System Related Organizations		190
Unemployment and workers' compensation insurance liability		(371)
Unearned revenue		6,398
Refundable advances under federal loan program		(193)
Compensated absences		(379)
Other liabilities		(414)
Net pension liability		218,686
Net OPEB liability		(34,699)
Deposits held for others		(455)
Other		(2,447)
Cash flows from operating activities	$	(835,416)

Supplemental noncash activities information:

Gain on disposal of capital assets	$	2,229
Capital assets acquired by gifts	$	2,267
Capital expenditures included in accounts payable	$	8,925
Capital assets aquired by incurring lease obligations	$	26,716
University Revenue Refunding Bond Series 2023	$	87,218
Unrealized gains on investments	$	55,218
System Related Organization debt forgiveness	$	403
Right-of-use assets obtained in exchange for subscription obligations before beginning blance restated per GASB 96	$	56,271
Right-of-use assets obtained in exchange for subscription obligations before beginning blance restated per GASB 96	$	12,664

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

NOTE 1 – Organization:

The financial statements represent the combined financial statements of the various divisions and campuses of the Nevada System of Higher Education (the System or NSHE) which include:

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

The System is an entity of the State of Nevada (the State) and receives significant support from, and has significant assets held by the State as set forth in the accompanying combined financial statements. The System is a component unit of the State of Nevada in accordance with the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and No. 34.* The System Related Organizations' columns in these combined financial statements are comprised of data from the System's discretely presented campus and athletic foundations and medical school practice plans, which include: University of Nevada, Reno Foundation, Wolf Pack Athletic Association, Desert Research Institute Foundation, Desert Research Institute Research Parks LTD, Truckee Meadows Community College Foundation, Western Nevada College Foundation, Great Basin College Foundation, University of Nevada, Las Vegas Foundation, University of Nevada, Las Vegas Research Foundation, Rebel Golf Foundation, University of Nevada, Las Vegas Alumni Foundation, University of Nevada, Las Vegas Rebel Football Foundation, University of Nevada, Las Vegas Rebel Soccer Foundation, University of Nevada, Las Vegas Singapore Unlimited, University of Nevada Las Vegas Medicine Incorporated, College of Southern Nevada Foundation, and Nevada State College Foundation. These System Related Organizations are included as part of the System's combined financial statements because of the nature and the significance of their financial relationship with the System.

The System Related Organizations include campus foundations which are related tax-exempt organizations founded to foster and promote the growth, progress, and general welfare of the System, and are reported in separate columns to emphasize that they are Nevada not-for-profit organizations legally separate from the System. During the year ended June 30, 2023, the foundations distributed $101,368 to the System for both restricted and unrestricted purposes. Complete financial statements for the foundations can be obtained from Rhett Vertrees, Assistant Chief Financial Officer at NSHE, 2601 Enterprise Rd., Reno, NV 89512.

Effective July 1, 2022, the operations of Sierra Nevada University (SNU) were transferred to UNR and all real property assets of SNU were gifted to the UNR Foundation. In connection with these transactions, the board of trustees of SNU were appointed by UNR to close out business in the remaining entity. At this time, SNU became a blended component unit of the System and the prior year net position remaining in SNU of $8,470 is reported as a restatement to the originally reported net position. Along with this restatement, opening cash was restated by $3,080 and assets and liabilities were restated by a net amount of $5,390.

During the year ended June 30, 2023, UNLV Med distributed $27,740 to the System for restricted purposes for salaries and Dean's support. Complete financial statements for UNLV Med can be obtained from Rhett Vertrees, Assistant Chief Financial Officer at NSHE, 2601 Enterprise Rd., Reno, NV 89512.

NOTE 2 – Summary of Significant Accounting Policies:

The significant accounting policies followed by the System are described below to enhance the usefulness of the financial statements to the reader.

BASIS OF PRESENTATION

For financial statement reporting purposes, the System is considered a special purpose government engaged only in business-type activities. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the GASB, including Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments,* and Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis of Public Colleges and Universities*.

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

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

The financial statements required by Statement No. 35 are the Statements of Net Position, the Statements of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows. Financial reporting requirements also include Management's Discussion and Analysis of the System's financial position and results of operations.

BASIS OF ACCOUNTING

The financial statements have been prepared on the accrual basis of accounting whereby all revenues are recorded when earned and all expenses are recorded when incurred. All significant transactions between various divisions and campuses of the System have been eliminated. The financial statements are presented using the economic resources measurement focus.

CASH AND CASH EQUIVALENTS

All highly liquid investments with an original maturity of three months or less are considered to be cash equivalents. Cash held by the State Treasurer represents the funds from certain state appropriations, which were enacted to provide the System with the funds necessary for the construction of major assets. Such amounts are controlled by the Nevada Public Works Board. Restricted cash and cash equivalents represent the unexpended bond proceeds held for construction of major assets. These amounts are included in cash and cash equivalents in the Statements of Cash Flows.

INVESTMENTS

Investments are stated at fair value. Fair value of investments is determined from quoted market prices, quotes obtained from brokers or reference to other publicly available market information. Interests in private equity partnerships and commingled funds are based upon the latest valuations provided by the general partners or fund managers of the respective partnerships and funds adjusted for cash receipts, cash disbursements and securities distributions through June 30. The System believes the carrying amount of these financial instruments is a reasonable estimate of fair value. Because the private equity partnerships and private commingled funds are not readily marketable, their estimated value is subject to uncertainty and, therefore, may differ significantly from the value that would have been used had a ready market for such investments existed. Investment transactions are recorded on the date the securities are purchased or sold (trade-date). Realized gains or losses are recorded as the difference between the proceeds from the sale and the average cost of the investment sold. Dividend income is recorded on the ex-dividend date and interest income is accrued as earned.

INVENTORIES

Inventories consist primarily of bookstore and agricultural inventories, and other items held for sale and are stated at lower of estimated cost or market. Cost is calculated primarily on the first-in, first-out method.

PLEDGES

In accordance with GASB Statement No. 33, *Accounting and Reporting for Non-Exchange Transactions,* private donations are recognized when all eligibility requirements are met, provided that the pledge is verifiable, the resources are measurable, and collection is probable. Pledges receivables are recorded at net present value using the appropriate discount rate. An allowance for uncollectible pledges is estimated based on collection history and is netted against the gross pledges' receivable.

CAPITAL ASSETS

Capital assets are defined as assets with an initial unit cost of $5 in the fiscal year and an estimated useful life in excess of one year. Such assets are stated at cost at the date of acquisition or fair market value at date of donation in the case of gifts. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets acquired through federal grants and contracts where the federal government retains a reversionary interest are capitalized and depreciated. No interest was capitalized during the year ended June 30, 2023. Depreciation is computed on a straight-line basis over the following estimated useful lives:

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

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

Collections are capitalized at the acquisition value at the date of donation. The System's collections are protected, preserved and held for public exhibition, education or research and include art and rare book collections which are considered inexhaustible and are therefore not depreciated.

LEASE RECEIVABLE

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

RIGHT- OF-USE ASSETS

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

LEASE LIABILITY

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

SUBSCRIPTION LIABILITY

Subscription-based information technology arrangements (SBITA) liabilities represent the System's obligation to make payments to the vendor, measured at the present value of subscription payments over the remaining term. SBITA liabilities are recognized at the SBITA commencement date based upon the present value of future subscription payments over the remaining SBITA term. Short term SBITA liabilities, those with a maximum period of 12 months (or less), are expensed as incurred.

UNEARNED REVENUE

Unearned revenue primarily includes amounts received from grant and contract sponsors that have not been earned under the terms of the agreement and other revenue billed in advance of the event, such as student tuition and fees and fees for housing and dining services, and advanced ticket sales for athletic and other events.

COMPENSATED ABSENCES

The System accrues annual leave for employees at rates based upon length of service and job classification and compensatory time based upon job classification and hours worked. Such accrued expenses have been classified as a component of employee compensation and benefits in the accompanying Statements of Revenues, Expenses and Changes in Net Position.

FEDERAL REFUNDABLE LOANS

Certain loans to students are administered by the System campuses, with funding primarily supported by the federal government. The System's Statements of Net Position include both the notes receivable and the related federal refundable loan liability representing federal capital contributions owed upon termination of the program.

PENSIONS

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

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

OTHER POST-EMPLOYMENT BENEFITS (OPEB)

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

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the Statements of Net Position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources until then. The System has pension related, other post-employment benefits related and loss on bond refunding balances of $266,269, $38,129 and $2,728 respectively, at June 30, 2023. Pension related deferred outflows of resources are discussed in depth in Note 18 and other post-employment benefits related deferred outflows of resources are discussed in depth in Note 19. A loss on bond refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. System Related Organizations have Intra-equity sales of future revenues of $0 at June 30, 2023.

In addition to liabilities, the Statements of Net Position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources until that time. The System has pension related, other post-employment benefits related, service concession related, gain on bond refunding and unrecognized revenues from other than short term lease balances of $119,205, $68,415, $1,531, $4,061 and $90,978, respectively, at June 30, 2023, while the System Related Organizations have split-interest agreements and unearned lease revenue of $8,432 and $11,540, respectively, at June 30, 2023.

Pension related deferred inflows of resources are discussed in depth in Note 18. Other post-employment benefits and related deferred inflows of resources are discussed in Note 19. A gain on bond refunding results from the difference in the reacquisition price and the carrying value of refunded debt. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Unearned lease revenue represents lease revenue that will be recognized in future periods. Leases are discussed in depth in Note 11 and 12.

NET POSITION

Net position is classified as follows:

Net investment in capital assets: This represents the total investment in capital assets and right-of-use assets net of outstanding debt obligations related to those capital assets and lease and subscription liabilities related to the right-of-use assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

Restricted net position – nonexpendable: Nonexpendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity and invested for the purposes of producing present and future income, which may either be expended or added to principal.

Restricted net position – expendable: Restricted expendable net position includes resources which must be expended in accordance with restrictions imposed by external third parties.

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

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

FAIR VALUE

The System follows the provisions of the fair value measurement standard which defines the fair value of assets, establishes a framework for measuring the fair value of assets, and outlines the required disclosures related to fair market value measurements. Fair value

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

is "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

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

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

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

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

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

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

OPERATING AND NONOPERATING REVENUES AND EXPENSES

SYSTEM

Revenues and expenses are classified as operating if they result from providing services and producing and delivering goods. They also include other events that are not defined as capital and related financing, noncapital financing, or investing activities. Grants and contracts representing an exchange transaction are considered operating revenues.

Revenues and expenses are classified as nonoperating if they result from capital and related financing, noncapital financing, or investing activities. Appropriations received to finance operating deficits are classified as noncapital financing activities; therefore, they are reported as nonoperating revenues. Grants and contracts representing nonexchange receipts are treated as nonoperating revenues.

Functional classification of expenses is determined when an account is established and is assigned based on the functional definitions by the National Association of College and University Business Officers' Financial Accounting and Reporting Manual.

UNLV MEDICINE, INC.

Net patient service revenue is reported when services are provided to patients at the estimated net realizable amounts from patients, third-party payors including Medicare and Medicaid, and others for services rendered, including estimated retroactive audit adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Contractual adjustments are recorded as deductions from professional fee revenue to arrive at net professional revenues. Contractual adjustments include differences between established billing rates and amounts reimbursable under various contractual agreements. Normal differences between final reimbursements and estimated amounts accrued in previous year are recorded as adjustments of the current year's contractual and bad debt adjustments. Substantially all the operating expenses are directly or indirectly related to patient care.

FOUNDATIONS

Donations, gifts and pledges are recognized as income when all eligibility requirements are met, provided that the promise to give is verifiable, the resources are measurable, and collection is probable.

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

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

SCHOLARSHIP ALLOWANCES

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship allowances in the Statements of Revenues, Expenses and Changes in Net Position. Scholarship allowances are the difference between the stated charge for goods and services provided by the institutions and the amount that is paid by students and/or third parties making payments on the students' behalf. Payments of financial aid made directly to students are classified as scholarships and fellowships expenses.

GRANTS-IN-AID

Student tuition and fees revenue include grants-in-aid charged to scholarships and fellowships and grants-in-aid for faculty and staff benefits charged to the appropriate expenditure programs to which the applicable personnel relate. Grants-in-aid for the year ended June 30, 2023, were $14,496.

TAX EXEMPTION

The System is an affiliate of a government unit in accordance with the Internal Revenue Service's Revenue Procedure 95-48 and is exempt from federal taxes. The discreetly presented System Related Organizations are qualified tax-exempt organizations under the provisions of Section 501(c) (3) of the Internal Revenue Code and are exempt from federal and state income taxes on related income.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

GASB STATEMENTS IMPLEMENTED IN FISCAL YEAR 2023

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective 2023, defines a Subscription-Based Information Technology Arrangement (SBITA) as a contract that conveys control of the right to use another party's information technology (IT) software, alone or in combination with tangible capital assets (underlying IT assets), as specified in the contract for a period of time in an exchange or exchange like transaction. Under this Statement, the System recognizes a subscription asset and a corresponding subscription liability for all applicable arrangements. Exceptions are provided for short-term SBITAs, defined as lasting a maximum of twelve months at inception, including any options to extend.

Changes adopted to conform to the provisions of this Statement were applied retroactively by restating the financial statements for the earliest period presented, July 1, 2022, and related disclosures for June 30, 2023, in Notes 9 and 13.

The cumulative effect of implementing GASB Statement No. 96 on the System's financial statements for the year ended June 30, 2022 was as follows:

Statement of Net Position as of June 30, 2022

	As Reported in Fiscal Year 2022	GASB Statement No. 96 Restatement	Restated - Fiscal Year 2022
Total Assets and Deferred Outflows			
Total Current Assets	$ 1,096,457	$ (2,466)	$ 1,093,991
Total Capital Assets	2,639,908	56,271	2,696,179
Total Other Assets	402,686	-	402,686
Total Assets	4,139,051	53,805	4,192,856
Total Deferred Outflows of Resources	215,711	-	215,711
Total Assets and Deferred Outflows	4,354,762	53,805	4,408,567
Liabilities and Deferred Inflows			
Total Current Liabilities	342,241	11,238	353,479
Total Non-Current Liabilities	1,669,197	42,567	1,711,764
Total Liabilities	2,011,438	53,805	2,065,243
Deferred Inflows of Resources	305,785	-	305,785
Total Liabilities and Deferred Inflows	2,317,223	53,805	2,371,028
Net Position			
Net investment in capital assets	1,850,785	-	1,850,785
Restricted - Nonexpendable	92,763	-	92,763
Restricted - Expendable	331,194	-	331,194
Unrestricted	(237,203)	-	(237,203)
Total Net Position	$ 2,037,539	$ -	$ 2,037,539

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

NEW ACCOUNTING PRONOUNCEMENTS

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

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements (GASB 94)*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. There was no impact from this pronouncement as NSHE is not a party in any PPPs.

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

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

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

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

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

NOTE 3 – System Cash and Cash Equivalents:

Cash and cash equivalents of the System are stated at cost, which approximates market, and consists of deposits in money market funds, which are not federally insured, and cash in the bank. At June 30, 2023, the System's deposits in money market funds totaled $177,884 and cash in bank was $1,466. Of these balances, $250 each year are covered by the Federal Depository Insurance Corporation (FDIC), the remaining deposits are uncollateralized and uninsured. Restricted cash represents the unexpended bond proceeds held for construction of major assets.

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

NOTE 4 – Disclosures About Fair Value of Financial Instruments:

Investments at Fair Value

The System's investment holdings as of June 30, 2023, categorized in accordance with the fair value hierarchy are summarized in the following table:

	Level 1 fair value	Level 2 fair value	Level 3 fair value	NAV	Total
Cash and cash equivalents	$ 182,085	$ -	$ -	$ -	$ 182,085
Charitable trusts	4,157	-	-	-	4,157
Domestic equity	177,442	-	-	107,542	284,984
Emerging market equity	-	-	-	16,462	16,462
Fixed income	220,618	2,474	-	3,269	226,361
International equity	99,944	-	-	108,954	208,898
Marketable alternatives	1,197	-	-	47,291	48,488
Multi-strategy	-	-	-	-	-
Private growth	-	-	-	71,574	71,574
Real assets	5,833	-	-	9,592	15,425
	691,276	2,474	-	364,684	1,058,434
Less: GBC Foundation Endowments	(9,287)	-	-	-	(9,287)
	$ 681,989	$ 2,474	$ -	$ 364,684	$ 1,049,147

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

- *Private Growth* – Strategies consist of private equity, private venture capital and private natural resources. Assets in this category are either illiquid or have significant redemption restrictions. Unfunded commitments of $28,219 to private equity/venture capital funds are outstanding as of June 30, 2023.
- *Marketable Alternatives* – Assets in the marketable alternative category have a broad mandate and/or incorporate hedging strategies and have significant redemptions restrictions.
- *Real Assets* – The System's holding in the real assets valued at NAV consists of funds which primarily invests in securities of publicly traded C-corporations, Master Limited Partnerships and certain private placement transactions.
- *Fixed Income* – The System's fixed income holdings valued at NAV consist of private and commingled funds with core fixed and short duration strategies.
- *Domestic Equity* – The System's holdings valued at NAV within the domestic equity category consists of one commingled fund with a broad mandate which seeks to outperform the S&P 500 index.
- *Multi-Strategy* – Assets in the multi-strategy valued at NAV consist of one fund which seeks to provide long-term capital growth by investing in domestic and foreign stocks, real assets, and bonds.
- *International Equity* – The System's holdings at NAV within the International equity category consist of private commingled funds primarily focused on value.
- *Emerging Market Equity* – The System's holdings at NAV within Emerging Market category consist of private commingled funds which look to achieve long-term capital appreciation while investing in equity securities or equity-linked instruments of companies located in emerging market countries.

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

SUMMARY OF REDEMPTION RESTRICTIONS FOR INVESTMENTS VALUED AT NAV

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

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

NOTE 5 – System Investments:

The Board of Regents policies include the Statement of Investment Objectives and Policies for the Endowment and Operating Funds of the System. This policy governs the investment management of both funds. The Board of Regents is responsible for establishing the investment policies; accordingly, the Board of Regents has promulgated these guidelines in which they have established permitted asset classes and ranges. The asset allocation categories may change from year to year.

Investments are stated at fair value. The historical cost and market value (fair value) of System investments at June 30, 2023, is as follows:

	Cost	Market Value
Mutual funds publicly traded	$362,869	$441,069
Partnerships	68,100	111,666
Cash and cash equivalents	182,086	182,086
Trusts	3,545	4,157
Private commingled funds	305,839	319,456
	922,439	1,058,434
Less: GBC Foundation Endowments	(9,287)	(9,287)
	$913,152	$1,049,147

As of June 30, 2023, the System had entered into various investment agreements with private equity partnerships and private commingled funds. Under the terms of certain of these investment agreements, the System is obligated to make additional investments as requested by these partnerships. Generally, partnership investments do not have a ready market and ownership interests in some of these investment vehicles may not be traded without the approval of the general partner or fund management. These investments are subject to the risks generally associated with equities with additional risks due to leverage and the lack of a ready market for acquisition or disposition of ownership interests.

Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the Combined Statements of Net Position.

Credit risk and interest rate risk

Certain securities with fixed income are subject to credit risk which is the risk that an issuer of an investment will not fulfill its obligations. Other securities, including obligations of the U.S. government or those explicitly guaranteed by the U.S. government, are not considered to have credit risk. Credit quality is an assessment of the issuer's ability to pay interest on the investment, and ultimately, to pay the principal. Credit quality is evaluated by one of the independent rating agencies, for example Moody's Investors Service or Standard and Poor's. For the types of investments that are subject to rating, the System's policy for reducing its exposure to credit risk is to maintain a weighted average credit rating of AA or better, and never below A, for investments with credit risk within both the endowment and operating investment pools.

With regard to the trusts included in endowment investments, the System is not the trustee of these investments and, therefore, it currently has no policies with regard to credit risk for these investments.

The credit risk profile for the System's operating and endowment investments at June 30, 2023, is as follows:

	Fair Value	Not Rated
Mutual funds publicly traded	$441,069	$441,069
Partnerships	111,666	111,666
Cash and cash equivalents	182,086	182,086
Trusts	4,157	4,157
Private commingled funds	319,456	319,456
	1,058,434	1,058,434
Less: GBC Foundation Endowments	(9,287)	(9,287)
	$1,049,147	$1,049,147

Interest rate risk is the risk that the value of fixed income securities will decline because of changing interest rates. The prices of fixed income securities with a shorter duration to maturity tend to be more sensitive to changes in interest rates, and, therefore, more volatile than those with longer investment lives. The System's policy for reducing its exposure to interest rate risk is to have an average investment life of at least two years for fixed income securities within both the endowment and operating investment pools. With regard to the trusts included in endowment investments, the System is not the trustee of these investments and; therefore, it currently has no policies with regard to interest rate risk for these investments.

NOTE 5 – System Investments (continued):

Investments included in the above table have been identified as having interest rate risk and are principally invested in mutual funds and private commingled funds. The segmented time distribution for these investments at June 30, 2023, is as follows:

Less than 1 year	$7,893
1 to 5 year	41,766
5 to 10 year	181,326
	$230,985

Custodial credit risk

Custodial credit risk is the risk that in the event of a failure of the custodian, the System may not be able to recover the value of the investments held by the custodian as these investments are uninsured. This risk typically occurs in repurchase agreements where one transfers cash to a broker-dealer in exchange for securities, but the securities are held by a separate trustee in the name of the broker-dealer. The System does not have a specific policy with regard to custodial credit risk.

Concentration of credit risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the System's investments within any one issuer. For the fixed income portion of the endowment pool, the System's policy for reducing its exposure to concentration of credit risk is to limit the investments within any one issuer to a maximum of 5% of the fixed income portfolio, provided that issues of the U.S. Government or agencies of the U.S. Government may be held without limitation and provided further that issues of agencies of the U.S. Government shall be limited to the extent set forth in the manager-specific guidelines. The System does not have a specific policy with regard to the operating pool or the remainder of the endowment pool. At June 30, 2023, there were no investments within any one issuer in an amount that would constitute a concentration of credit risk to the System.

Foreign currency risk

Foreign currency risk is the risk of investments losing value due to fluctuations in foreign exchange rates. The System does not directly invest in foreign currency investments and is, therefore, not subject to foreign currency risk. However, the System has $227,784 in mutual funds and commingled funds in both the operating and endowment pools that are primarily invested in international equities at June 30, 2023.

NOTE 6 – System Endowment Pool:

At June 30, 2023, $291,743 of endowment fund investments were pooled on a unit market value basis. As of June 30, 2023, the endowment pool was comprised of investments in cash and cash equivalents (0.9%), mutual funds (8.4%), partnerships (36.7%), and private commingled (54.0%). Each individual endowment fund acquires or disposes of units based on the market value per unit on the preceding quarterly valuation date. The unit market value at June 30, 2023, was $1,146 (not in thousands). The System follows the requirements of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) with respect to prudent investing and spending of donor-restricted endowments.

The System utilizes a spending rule for its pooled endowments, which determines the endowment income to be distributed currently for spending. For the year ended June 30, 2023, the endowment spending policy, as approved by the Board of Regents, authorized a distribution maximum of 4.5% of the average unit market value for the previous twenty (20) calendar quarters. Under the provisions of these spending rules, during 2023, $31.08 (not in thousands) was distributed to each time-weighted eligible unit for a total spending rule distribution of $10,709. The 2023 distributions were made from investment income of $2,261 and from cumulative gains of pooled investments of $12,970.

The System's policy is to retain the endowments' realized and unrealized appreciation with the endowment after the annual income distribution has been made. Such realized and unrealized appreciation retained in endowment investments was $172,034 at June 30, 2023, is reflected within the restricted expendable for scholarships, research and instruction net position category and is available to meet future spending needs subject to the approval of the Board of Regents.

Effective July 1, 2009, the Board of Regents has suspended distribution on all underwater accounts. At June 30, 2023, there were seven accounts underwater, but the total amount is considered immaterial.

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

NOTE 7 – System Accounts Receivable:

System accounts receivable consist primarily of amounts due from students for tuition and fees and from local and private sources for grants and contracts agreements. The accounts receivable balances as of June 30, 2023, are as follows:

Accounts receivable:	
Student tuition and fees	$ 84,717
Sales and services	25,880
Local and private grants and contracts	9,910
Other	176
Subtotal	120,683
Less: Allowance for doubtful accounts	(70,432)
Net accounts receivable	$ 50,251

NOTE 8 – System Loans Receivable:

Loans receivable from students bear interest primarily between 3% and 15% per annum and are generally repayable in installments to the various campuses over a five to ten-year period commencing nine months from the date of separation from the institution. Student loans made through the Federal Perkins Loan Program comprise substantially all of the loans receivable at June 30, 2023. A provision for possible uncollectible amounts is recorded on the basis of the various institution's estimated future losses for such items. The loans receivable and corresponding allowance for uncollectible loan balances as of June 30, 2023, are as follows:

Loans Receivable	$ 5,650
Less: Allowance for doubtful loans	(659)
Net loans receivable	4,991
Less: Current portion	(785)
Total noncurrent loans receivable	$ 4,206

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

NOTE 9 – System Capital Assets:

System capital asset activity for the year ended June 30, 2023, is as follows:

	Beginning Balance	GASB 96 Restatement	Increases	Decreases	Ending Balance
Capital assets not being depreciated:					
Construction in progress	$ 183,146	$ -	$ 92,301	(106,834)	$ 168,613
Land	179,180	-	13,771	-	192,951
Land improvements	288	-	-	-	288
Intangibles	-	-	1,350	-	1,350
Collections	13,270	-	331	(20)	13,581
Total	375,884	-	107,753	(106,854)	376,783
Capital assets being depreciated:					
Buildings	3,404,650	-	188,393	-	3,593,043
Land improvements	182,084	-	4,216	-	186,300
Machinery and equipment	450,360	-	39,653	(16,246)	473,767
Intangibles	53,759	-	1,149	-	54,908
Library books and media	126,888	-	1,195	(598)	127,485
	-	-	-	-	-
	-	-	-	-	-
Total	4,217,741	-	234,606	(16,844)	4,435,503
Less accumulated depreciation for:					
Buildings	(1,341,912)	-	(88,870)	-	(1,430,782)
Land improvements	(135,170)	-	(5,392)	-	(140,562)
Machinery and equipment	(341,484)	-	(29,998)	14,653	(356,829)
Intangibles	(48,853)	-	(1,775)	-	(50,628)
Library books and media	(122,710)	-	(1,749)	599	(123,860)
	-	-	-	-	-
	-	-	-	-	-
Total	(1,990,129)	-	(127,784)	15,252	(2,102,661)
Right-of-Use assets being amortized:					
ROU buildings/offices	41,492	-	24,579	(7,101)	58,970
ROU equipment	4,647	-	2,137	-	6,784
SBITA	-	56,271	12,664	-	68,935
Total	46,139	56,271	39,380	(7,101)	134,689
Less accumulated amortization for:					
ROU buildings/offices	(8,592)	-	(8,536)	5,256	(11,872)
ROU equipment	(1,135)	-	(1,422)	-	(2,557)
SBITA	-	-	(15,944)	-	(15,944)
Total	(9,727)	-	(25,902)	5,256	(30,373)
Total assets being depreciated/amortized, net	2,264,024	56,271	120,300	(3,437)	2,437,158
Capital assets, net	$ 2,639,908	$ 56,271	$ 228,053	(110,291)	2,813,941

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (GASB 96)*, effective 2023, establishes a model for SBITA accounting based on the principle that a SBITA is a contract that conveys control of the right to use another party's IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. NSHE recognized intangible right-to-use SBITA assets of $68,935 of which $56,271 was a restatement from fiscal year 2022. The associated SBITA liabilities are discussed in Note 13.

In 2023, the total amount recognized as a gain on disposal of assets was immaterial.

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

NOTE 10 – System Long-Term Debt:

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

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

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

In June 2023, the Board of Regents entered into various agreements related to the development of a new College of Business building and related site improvements at UNR. Under the agreements, UNR is leasing the site (Ground Lease) to the developer and is subleasing the right to occupy the improvements back (Sublease). In connection with the development and construction, there were bonds issued by an independent third party and the lease payments under the Sublease secure the bonds. The Ground Lease is for 1 dollar per year for a period of 35 years or expiration of the 30-year bonds, whichever occurs first. The Sublease requires monthly payments beginning August 1, 2023, for a period of 30 years. Monthly payments under the Sublease vary and are approximately $9,600 per year. The building, improvements and related debt will be recorded as a financed obligation once the construction is completed, which is anticipated in the fiscal year ending June 30, 2026.

System long-term debt activity for the year ended June 30, 2023, is as follows:

	Annual Interest Rate	FY Final Payment Date	Original Amount	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Universities Revenue Bonds, Series 2012B	2.00% to 2.75%	2023	$ 5,010.00	$ 160.00	$ -	$ (160.00)	$ -	-
Universities Revenue Bonds, Series 2013A	2.00% to 5.00%	2034	40,035	27,130	-	(25,460)	1,670	1,670
Universities Revenue Bonds, Series 2013B	3.00% to 5.00%	2036	105,300	76,125	-	(69,400)	6,725	6,725
Universities Revenue Bonds, Series 2014A	4.00% to 5.00%	2044	49,995	40,575	-	(1,690)	38,885	1,780
Universities Revenue Bonds, Series 2015A	3.00% to 5.00%	2036	61,455	57,850	-	(3,190)	54,660	3,325
Universities Revenue Bonds, Series 2015B	2.00% to 3.00%	2027	7,480	3,940	-	(750)	3,190	770
Universities Revenue Bonds, Series 2016A	2.00% to 5.00%	2039	57,750	53,380	-	(2,545)	50,835	2,650
Universities Revenue Bonds, Series 2016B	2.50% to 5.00%	2037	13,580	11,510	-	(585)	10,925	615
Universities Revenue Bonds, Series 2017A	3.25% to 5.00%	2041	25,905	25,080	-	(870)	24,210	910
Universities Revenue Bonds, Series 2019A	3.00% to 5.00%	2050	18,640	18,310	-	(345)	17,965	365
Universities Revenue Bonds, Series 2021	2.38% to 5.00%	2052	35,705	35,704	-	(1,139)	34,565	1,330
Universities Revenue Bonds, Series 2022	3.00% to 5.00%	2033	21,905	21,905	-	-	21,905	1,630
Universities Revenue Bonds, Series 2023	4.00% to 5.00%	2035	77,285	-	77,285	-	77,285	-
College Revenue Bonds, Series 2017A	3.00% to 5.00%	2048	70,915	64,815	-	(1,435)	63,380	1,505
Certificates of Participation, Series 2014A	2.00% to 5.00%	2045	34,220	29,055	-	(850)	28,205	895
Certificates of Participation, Series 2016A	2.00% to 5.00%	2047	63,095	51,960	-	(1,770)	50,190	1,860
Certificates of Participation, Series 2016B	1.65% to 4.72%	2047	50,405	45,265	-	(1,100)	44,165	1,130
Certificates of Participation, Series 2017A	3.00% to 5.00%	2048	28,890	26,440	-	(585)	25,855	615
Certificates of Participation, Series 2018A	3.00% to 5.00%	2049	12,475	11,895	-	(255)	11,640	265
Certificates of Participation, Series 2020A	3.00% to 5.00%	2051	52,620	52,175	-	(465)	51,710	490
SNSC Phase II Revenue Bonds	7.58%	2023	$ 8,460	785	-	(785)	-	-
Discounts				-	-	-	-	-
Premiums				41,134	9,933	(12,061)	39,006	3,326
Total Bonds Payable				695,193	87,218	(125,440)	656,971	31,856
Notes Payable				18,330	-	(11,281)	7,049	3,176
Financed purchase obligations				46,514	123	(3,168)	43,469	1,797
Total				$ 760,037	$ 87,341	$ (139,889)	$ 707,489	$ 36,829

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

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

System notes payable activity for the year ended June 30, 2023, is as follows:

	Interest Rate	Date Issued	Final Payment Date	Original Amount	Ending Balance
Wells Fargo Bank, UNR MEBD Refunding	1.80%	4/21/2016	1/2/2026	$7,570	2,636
ZionsBankcorp, UNLV Football facility	1.98%	11/9/2017	7/1/2023	$15,297	1,990
ZionsBankcorp, UNR Football facility	2.25%	1/9/2020	7/1/2029	$3,200	2,423
					$7,049

The revenue bonds are collateralized by tuition and fees, auxiliary enterprises revenues and certain other revenues as defined in the bond indentures. The Certificates of Participation are secured by any and all available revenues as defined in the bond indentures. There are a number of limitations and restrictions contained in the various bond indentures. The most restrictive covenants of the various bond indentures require the various divisions and campuses of the System to maintain minimum levels of revenues, as defined in the indentures. The System is in compliance with all covenants.

Scheduled maturities of long-term debt for the years ending June 30 are as follows:

	Principal	Interest	Total
2024	$ 33,503	$ 25,836	$ 59,339
2025	31,443	24,840	56,283
2026	31,993	23,326	55,319
2027	28,377	21,954	50,331
2028	28,532	20,650	49,182
2029-2033	157,735	82,825	240,560
2034-2038	147,550	50,751	198,301
2039-2043	106,790	27,574	134,364
2044-2048	83,935	8,935	92,870
2049-2053	18,625	700	19,325
	668,483	287,391	955,874
Premiums	39,006	-	39,006
	$ 707,489	$ 287,391	$ 994,880

Various outstanding notes from direct borrowings and direct placements of the System in the combined amount of $1,125 contain provisions that in an event of default, the outstanding amounts become immediately due. An outstanding note from direct borrowings and direct placements of the System in the amount of $494 is secured by an office building as collateral. Various outstanding notes from direct borrowings and direct placements of the System in the combined amount of $133 are secured by computers and network equipment as collateral. An outstanding note from direct borrowings and direct placements of the System in the amount of $498 is secured by instructional equipment as collateral. Various outstanding notes from direct borrowings and direct placements of the System in the combined amount of $2,636 contain provisions that in an event of default, the respective interest rates are reset to a higher default rate.

Obligation	Maturity	Outstanding ($)	Unused Line of Credit ($)	Finance-Related EOD: Pledged Assets?	Finance-Related EOD: Interest Rate/Other	Finance-Related EOD: Acceleration	Finance-Related Termination Events?	Subjective Acceleration Clause(s)?
UNLV – Football Complex Note	07/01/23	$1,990	n/a	No	No	No	No	No
DRI – Arrow Capital Lease	11/01/23	133	n/a	Yes-Note IV	No	Yes-Note IV	Yes-Note IV	No
NSC – Laerdal Equipment Lease	02/01/25	498	n/a	Yes-Note III	Yes-Note III	No	No	No
UNR – MEB Refunding Note	01/02/26	2,636	n/a	No	Yes-Note II	No	No	No
UNR – 450 Sinclair Lease	01/01/27	494	n/a	Yes-Note I	No	No	No	No
UNR – Athletics Note	07/01/29	2,423	n/a	No	No	No	No	No

I. The property located at 450 Sinclair Street represents additional security for the lease.

II. Upon the occurrence and continuance of an Event of Default, the Note will bear interest at the Default Rate, which consists of the summation of the following: (A) three percent (3.0%), and (B) the greatest of (i) the Prime Rate (as defined in Exhibit A of the Note) plus one percent (1.0%), (ii) the Federal Funds Rate (as defined in Exhibit A of the Note) plus two percent (2.0%), and (iii) seven percent (7.0%).

III. Assets pledged include equipment purchased with proceeds of the lease. Upon an event of default, the Lessor may declare immediately due and payable as a pre-estimate of liquidated damages for loss of bargain and not as a penalty, the Stipulated Loss Value of the Products in lieu of any further Rent.

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

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

IV. Assets pledged include equipment purchased with proceeds of the lease. Upon an event of default, the Originator may terminate the Customer's rights to use the product and require the Customer to return the product in accordance with the terms and conditions of the Agreement. An Event of Default has occurred if NSHE's Senior-most Revenue Backed rating assigned by Moody's falls below "A3". Upon an Event of Default, all payments then due and the present value of all remaining payments to become due in the future plus the anticipated purchase price, both discounted at a rate of 2% per annum, are immediately due.

NOTE 11 – Lessor Leases:

Lease Receivables

The System leases real estate and equipment to independent third parties. The income under these lease agreements was approximately $9,142 in 2023. The System had current lease receivables and lease receivables due from related organizations of $7,531 and $2,888, respectively, and long-term lease receivables and long-term lease receivables due from related organizations of $65,712 and $15,437, respectively, as of June 30, 2023. Deferred inflows of resources of $90,978 are associated with these leases as of June 30, 2023.

The System had a total of 21 leases of which call for payments that are partially or completely variable and were not included in lease receivables or deferred inflows of resources. These variable payments were a result of the underlying lease measured not on a fixed rate, but rather variable due to the underlying payments derived from a percentage of sales, use of a Capital Asset, or changes in an index rate. A total of $518 was recognized as revenue from these variable payments for the year ended June 30, 2023.

	Beginning Balance	Additions	Deletions	Ending Balance	Current
System Lease Receivable Total	$ 53,923	$ 46,787	$ 9,142	$ 91,568	$ 10,419

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

	Principal	Interest	Total
2024	$ 10,419	$ 2,016	$ 12,435
2025	10,019	1,802	11,821
2026	9,638	1,596	11,234
2027	8,132	1,395	9,527
2028	7,816	1,196	9,012
2029-2033	29,705	3,297	33,002
2034-2038	4,597	1,065	5,662
2039-2043	2,899	762	3,661
2044-2048	3,306	523	3,829
2049-2053	3,175	270	3,445
2054-2058	1,862	43	1,905
Thereafter	-	-	-
Total	$ 91,568	$ 13,965	$ 105,533

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

NOTE 12 – Lessee Leases:

The System has entered into various leases for land, building, equipment, infrastructure, facilities and improvements. Of these leases, a total of 14 agreements call for payments that are partially or completely variable and therefore were not included in lease assets or lease liabilities. These variable payments are a result of the underlying lease measured not on a fixed rate, but rather variable due to the underlying payments derived from a percentage of sales, use from a capital asset, or changes in index rates. A total of $253 was recognized as expenses from these variable payments for the years ended June 30, 2023.

A summary of changes in the Right-of-Use Assets, displayed by the nature of underlying assets, is as follows for the year ended June 30, 2023:

	Beginning Balance	Increases	Deletions	Ending Balance
Right-of-Use Assets:				
ROU Buildings/offices	$ 41,492	$ 24,579	$ (7,101)	$ 58,970
ROU equipment	4,647	2,137	-	6,784
Total	46,139	26,716	(7,101)	65,754
Less accumulated amortization for:				
ROU Buildings/offices	(8,592)	(8,536)	5,256	(11,872)
ROU equipment	(1,135)	(1,422)	-	(2,557)
Total	(9,727)	(9,958)	5,256	(14,429)
Total Carrying Value of Right-of-Use Assets	$ 36,412	$ 16,758	$ (1,845)	$ 51,325

Lease Liabilities

Long-term lease liability activity for the year ended June 30, 2023, is summarized as follows:

	Beginning	Additions	Deletions	Ending Balance	Current
System long-term lease liability Total	$ 36,977	$ 26,959	$ (10,940)	$ 52,996	$ 8,588

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

	Principal	Interest	Total
2024	$ 8,588	$ 1,118	$ 9,706
2025	8,328	952	9,280
2026	7,726	784	8,510
2027	7,479	608	8,087
2028	5,612	456	6,068
2029-2033	12,064	1,203	13,267
2034-2038	3,037	187	3,224
2039-2043	162	15	177
Thereafter	-	-	-
Total Requirements	$ 52,996	$ 5,323	$ 58,319

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

NOTE 13 – SBITA:

The System entered into various SBITAs that convey the System control of the right to use vendor-provided software, alone or in combination with an underlying tangible IT capital asset. Of these SBITAs, some agreements call for payments that are partially or completely variable and therefore were not included in ROU subscription assets or subscription liabilities. These variable payments are derived from a number of licenses that change from time to time, use of the IT asset, or changes in index rates. The System recognized a total of $1,254 as expenses from these variable payments for the year ended June 30, 2023.

A summary of changes in the Right-of-Use Assets is as follows for the year ended June 30, 2023:

	Beginning Balance	GASB 96 Restatement	Additions	Deletions	Ending Balance
Right-of-Use Assets	$ -	$ 56,271	$ 12,664	$ (15,944)	$ 52,991

SBITA Liabilities

Long-term liability activity for the year ended June 30, 2023, is summarized as follows:

	Beginning Balance	GASB 96 Restatement	Additions	Deletions	Ending Balance	Current
SBITA Liability	$ -	$ 53,805	$ 12,637	$ (18,382)	$ 48,060	$ 14,207

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

	Principal	Interest	Total
2024	$ 14,207	$ 1,048	$ 15,255
2025	11,537	811	12,348
2026	8,731	494	9,225
2027	7,978	285	8,263
2028	5,607	106	5,713
Thereafter	-	-	-
Total Requirements	$ 48,060	$ 2,744	$ 50,804

The System did not incur expenses for penalties for the early termination of SBITAs during the year ended June 30, 2023. Additionally, the System did not incur expenses related to impairment charges to its Right-of-Use SBITAs during the year ended June 30, 2023, as a result of a significant decline the manner or duration of use of the Right-of-Use SBITAs.

The System has entered into additional SBITAs that have not yet commenced as of June 30, 2023, with both fixed and variable payments required. Terms range from 2023 to 2028 with a total future commitment of $2,959.

NOTE 14 – Unemployment Insurance and Workers' Compensation:

The System is self-insured for unemployment insurance and workers compensation. These risks are subject to various claim and aggregate limits, with excess workman's comp coverage provided by an independent insurer. Liabilities are recorded when it is probable a loss has occurred, and the amount of the loss can be reasonably estimated. These losses include an estimate for claims that have been incurred, but not reported. The change to workers' compensation liability is based upon an independent actuarial determination of the present value of the anticipated future payments.

Changes in unemployment and workers compensation for the year ended June 30, 2023, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Unemployment insurance	$1,232	$ 151	$ 306	$1,077
Workers' compensation	2,927	357	679	2,605
Total	$4,159	$ 508	$ 985	$3,682

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

NOTE 15 – System Other Noncurrent Liability Activity:

The activity with respect to System other noncurrent liabilities for the year ended June 30, 2023, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current
Refundable advances under federal loan program	$ 4,146	$ 337	$ (1,089)	$ 3,394	$ -
Compensated absences	64,616	42,837	(43,217)	64,236	41,981
Unearned revenue	64,735	71,526	(65,455)	70,806	70,806
Other noncurrent liabilites	623	-	-	623	-
Total	$ 134,120	$ 114,700	$ (109,761)	$ 139,059	$ 112,787

NOTE 16 – Extinguishment of Debt:

In prior years, the System defeased outstanding bonds and obligations by placing the proceeds of new bonds into an irrevocable escrow account to provide for all future debt service payments on the old bonds. Accordingly, the escrow account assets and the liability for the defeased bonds are not included in the System's financial statements. On June 30, 2023, $87,100 of outstanding bonds were considered defeased.

In prior years, the System refinanced or defeased existing bonds for net cash flow savings or economic gain (present value of cash flow savings). In the fiscal year ended June 30, 2023, the System refinanced $86,875 of bonds, and refinancing activities produced cash flow savings and economic gain of $9,047 and $7,954, respectively.

NOTE 17 – Irrevocable Letter of Credit:

In connection with its self-insured workers' compensation liability, the System is required to maintain a letter of credit for the State of Nevada in the amount of $1,093 as of April 10, 2023. A letter of credit for workers' compensation liability is also required by beneficiary, Arrowood Indemnity Co., in the amount of $120 as of September 10, 2023.

NOTE 18 – System Pension Plans:

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

Under the System Retirement Plan Alternative, the System and participants have the option to make annual contributions to purchase individual, fixed or variable annuities equivalent to retirement benefits earned or to participate in a variety of mutual funds.

System employees may elect to participate in the System Supplemental Retirement Plan, a defined contribution plan qualified under Section 403(b) of the Internal Revenue Code, subject to maximum contribution limits established annually by the Internal Revenue Service. The employee contributions are not matched by the System.

The System's contribution to all retirement plans for the year ended June 30, 2023, was $147,296, equal to the required contribution for the year.

General Information about the PERS Cost Sharing Pension Plan

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

Benefits Provided

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

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

NOTE 18 – System Pension Plans (continued):

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

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

Vesting

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

retirement at age 65 with 5 years of service, or at age 62 with 10 years of service or at age 55 with 30 years of service or any age with 33 1/3 years of service.

The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Members become fully vested as to benefits upon completion of 5 years of service.

Contributions

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

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

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

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

For the fiscal year ended June 30, 2022, the statutory employer/employee matching rate was 15.50%. The employer-pay contribution (EPC) rate was 29.75%.

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

At June 30, 2023, the System reported a liability of $501,370 for its proportionate share of the net pension liability. The System's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2022. The System's proportionate share is 2.78%.

For the year ended June 30, 2023, the System recognized pension expense of $54,389. At June 30, 2023, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$64,919	$358
Net difference between projected and actual investment earnings on pension plan investments	6,117	0
Changes in assumptions	64,404	0
Changes in proportion	98,375	118,847
System contributions subsequent to the measurement date	32,454	0
	$266,269	$119,205

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

NOTE 18 – System Pension Plans (continued):

In 2023 $32,454 reported as deferred outflows of resources related to pensions resulting from System contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability. Other amounts reported as deferred inflows and outflows of resources will be recognized in pension expense as follows for the years ended June 30:

2024	$	(17,581)
2025		(16,686)
2026		(14,897)
2027		(57,642)
2028		(7,804)
Thereafter		-
	$	(114,610)

Actuarial Assumptions

The PERS net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.50%
Investment Rate of Return	7.25%
Productivity pay increase	0.50%
Projected salary increases	4.20% to 9.10%, depending on service
	Rates include inflation and productivity increases
Other assumptions	Same as those used in the June 30, 2022, funding actuarial valuation

Actuarial assumptions used in the June 30, 2022, valuation was based on the results of the experience study for the period July 1, 2016, through June 30, 2020.

The discount rate used to measure the total pension liability was 7.25% as of June 30, 2022. 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 those projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2022.

The following was the PERS Board adopted policy target asset allocation as of June 30, 2022:

Asset Class	Target Allocation
US Stocks	42%
International Stocks	18%
US Bonds	28%
Private Markets**	12%

* As of June 30, 2022, PERS' long-term inflation assumption was 2.50%

Rate of Return

For the year ended June 30, 2022, the annual money-weighted return on pension plan investments was negative 5.07%. The money-weighted rate of return expresses investment performance net of pension plan investment expense, adjusted for changing amounts actually invested.

The majority of the System's investments are held by the Depository Trust Company (DTC) in DTC's nominee name, and trading is conducted through DTC's book-entry system. The holder of record for the System is The Bank of New York Mellon.

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

NOTE 18 – System Pension Plans (continued):

Pension Liability Discount Rate Sensitivity

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

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
NSHE's proportional share of the net pension liability	$769,770	$501,370	$279,903

Pension plan fiduciary net position

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

NOTE 19 – System Postemployment Benefits Other than Pensions:

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

Benefits provided

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

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

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

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

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

Contributions

The State Retirees' Health and Welfare Benefits Fund (Retirees' Fund) was established in 2007 by the Nevada Legislature as an irrevocable trust fund to account for the financial assets designated to offset the portion of current and future costs of health and welfare benefits paid on

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

NOTE 19 – System Postemployment Benefits Other than Pensions (continued):

behalf of state retirees (NRS 287.0436). The money in the Retirees' Fund belongs to the officers, employees and retirees of the State of Nevada in aggregate; neither the State nor the governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State, nor any single officer, employee or retiree of any such entity has any right to the money in the Retirees' Fund.

The authority for establishing an assessment to pay for a portion of the cost of premiums or contributions for the program is in statute. The Office of Finance shall establish an assessment that is to be used to pay for a portion of the cost of premiums or contributions for the Program for persons who were initially hired before January 1, 2012 and have retired with state service. The money assessed must be deposited into the Retirees' Fund and must be based upon a base amount approved by the Legislature each session to pay for a portion of the current and future health and welfare benefits for persons who retired before January 1, 1994, or for persons who retire on or after January 1, 1994, as adjusted by the years of service subsidy rates. (NRS 287.046) The required contribution rate for employers (the retired employees group insurance rate), as a percentage of covered payroll, for the fiscal year ended June 30, 2022 was 2.17%. NSHE contributions recognized as part of OPEB expense for the current fiscal year ended June 30, 2023 were $16,785.

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

At June 30, 2023, NSHE reported a liability of $584,918 for its proportionate share of the collective net OPEB liability. The collective net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2022. NSHE's proportion of the collective net OPEB liability was based on the NSHE's share of contributions in the OPEB plan relative to the total contributions of all participating OPEB employers and members. On June 30, 2023, the NSHE's proportion was 40.5571%.

For the year ended June 30, 2023, NSHE recognized OPEB expense of $35,847. On June 30, 2023, NSHE reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Experience	$ -	$ 19,477
Changes in assumption	21,344	48,697
Net difference between projected and and actual earnings in OPEB plan investments	-	241
System contributions subsequent to the measurement date	16,785	-
Total	$ 38,129	$ 68,415

Of the total amount reported as deferred outflows of resources related to OPEB, $16,785 results from NSHE contributions subsequent to the measurement date and before the end of the fiscal year which are included as a reduction of the collective net OPEB liability in the year at June 30, 2023. This deferred outflow will be recognized as an expense in fiscal 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2024	$ (13,893)
2025	(15,215)
2026	(17,940)
2027	(23)
Thereafter	-
Total	$ (47,071)

Actuarial assumptions

The actuarial assumptions and methods used in the June 30, 2023, valuation are stated below.

Valuation Date	June 30, 2022
Census Date	June 30, 2022
Measurement Date	June 30, 2022
Actuarial Method	Entry Age Normal Level % of Pay

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

NOTE 19 – System Postemployment Benefits Other than Pensions (continued):

Inflation (CPI)	2.50%
Salary Increases	4.20% to 9.10% varying by service, including inflation
Discount Rate	Based on Bond Buyer Tax-Exempt General Obligation 20-Bond Municipal Bond Index: ▪ Measurement Date June 30, 2021: 2.16% ▪ Measurement Date June 30, 2022: 3.54%
Dental	4.00%
Admin	3.00%
Investment rate of return	2.50%, same as Inflation Rate assumption
Health Care Trend Rates	For medical and prescription drug, 4.80% increase effective July 1, 2023, then 7.25% graded down 0.25% to ultimate 4.50% over 11 years. For Part B Reimbursement, 0% and 27.17% effective July 1, 2023 and 2024, respectively, then 4.50%.
Mortality Rates	Pub-2010 General Healthy Retiree Headcount-Weighted Above-Median Mortality Table, projected by MP-2020 (See Actuarial Assumptions and Methods section for additional details)

The demographic assumptions which are not unique to the OPEB valuation were based on the 2020 Actuarial Experience Study conducted by the Public Employee's Retirement System of the State of Nevada, dated September 10, 2021.

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

The following presents the NSHE's proportionate share of the collective net OPEB liability, as well as what the NSHE's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 2.54% or 1-percentage-point higher 4.54% than the current discount rate:

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
NSHE's proportionate share of the collective net OPEB liability	$643,199	$584,918	$534,459

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

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

	1% Decrease	Trend Rates	1% Increase
NSHE's proportionate share of the collective net OPEB liability	$556,639	$584,918	$617,300

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, 2023, NSHE reported payables to the defined benefit OPEB plan of $1,539 for statutorily required employer contributions which had been assessed on employee salaries but not yet remitted to the Retirees' Fund.

NOTE 20 – System Commitments and Contingent Liabilities:

The System is a defendant or co-defendant in legal actions. Based on present knowledge and advice of legal counsel, System management believes that, except as provided below, any liability in those legal actions, in excess of insurance coverage, will not materially adversely affect the System's net financial position, changes in net position or cash flows of the System.

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

The System has an actuarial study of its workers' compensation losses completed every other year. The study addresses the reserves necessary to pay open claims from prior year and projects the rates needed for the coming year. The System uses a third-party administrator to adjust its workers' compensation claims.

The System is self-insured for its unemployment insurance liability. The System is billed by the State each quarter based on the actual unemployment benefits paid by the State. Each year the System budgets resources to pay for the projected expenditures. The amount of future benefits payments to claimants and the resulting liability to the System cannot be reasonably determined as of June 30, 2023, but no significant reduction in force or staffing cuts are anticipated.

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

The estimated cost to complete property authorized or under construction at June 30, 2023, is $88,392. These costs will be financed by State appropriations, private donations, available resources and/or long-term borrowings.

NOTE 21 – Risk Management:

The System is an entity created by the Constitution of the State of Nevada. The System transfers its tort liabilities to the Tort Claims Fund of the State. The State purchases an excess liability policy in the amount of $5,000 excess of a $5,000 self-insured retention (SIR).

The System purchases the following commercial insurance:

- Coverage for direct physical loss or damage to the System's property with limits of $500,000 per occurrence and a $500 per occurrence deductible with an aggregate deductible of $1,000.
- Worker's compensation (foreign and domestic) with statutory limits excess of a $750 SIR.
- Crime & Fidelity (employee dishonesty) with limits of $1,250 and a deductible of $100.
- Coverage for cyber liability is a combination of self-insurance and insurance policy with limits of $3,000 per claim and $5,000 per aggregate and a deductible of $50.
- Medical malpractice with limits of $1,000 per occurrence and $3,000 aggregate.
- Allied health malpractice with limits of $1,000 per occurrence and $3,000 aggregate.

The System purchases other commercial insurance for incidental exposures where prudent. The System is charged an assessment to cover its portion of the State's cost of the Tort Claims fund.

NOTE 22 – Subsequent Events:

The System evaluated subsequent events through May 28, 2024, the date of issuance, and has determined the following subsequent events to report.

The Nevada State Legislature and Governor approved SB273 during the 2023 session, officially renaming Nevada State College to Nevada State University, effective July 1, 2023. This change was previously approved by the Nevada System of Higher Education Board of Regents at the March 2023 meeting. Approval was also provided by the Northwest Commission on Colleges and Universities on May 31, 2023.

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

NOTE 23– Functional Classification of System Expenses:

The following is the functional classification of expenses as reported on the Statement of Combined Revenues, Expenses and Changes in Net Position for the year ended June 30, 2023:

Instruction	$	737,380
Research		171,237
Public service		116,160
Academic support		213,749
Institutional support		193,527
Student services		228,418
Operation and maintenance of plant		144,061
Scholarships and fellowships		107,302
Auxiliary enterprises		95,950
Depreciation		153,686
Total	$	2,161,470

NOTE 24 – System Related Organizations:

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

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

NOTE 23 - System Related Organizations (continued)

NEVADA SYSTEM OF HIGHER EDUCATION SYSTEM RELATED ORGANIZATIONS
NET POSITION AS OF JUNE 30, 2023

	CSN Foundation	DRI Foundation	DRI Research Park	GBC Foundation	NSC Foundation	TMCC Foundation	UNLV Foundation	UNLV Research Foundation	Rebel Golf Foundation
ASSETS									
Current Assets									
Cash and cash equivalents	$ 469	$ 1,525	$ 1	$ 341	$ 504	$ 3,395	$ 18,503	$ 109	$ 35
Restricted cash and cash equivalents	3,166	-	-	1,656	7,321	-	-	-	-
Short-term investments	3,869	-	-	-	1,284	1,803	25,068	1,722	5,679
Accounts receivable, net	-	-	-	-	-	33	-	472	-
Receivable from U.S. Government	-	-	-	-	-	-	-	5,366	-
Pledges receivable, net	157	-	-	35	596	349	11,217	-	-
Patient accounts receivable, net	-	-	-	-	-	-	-	-	-
Current portion of loans receivable, net	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Deposits and prepaid expenditures, current	8	-	-	-	1	2	177	3	-
Due from affiliates (SROs)	-	-	-	-	-	-	1,382	-	-
Other current assets	1	-	-	5	-	78	1,087	498	-
Total Current Assets	**7,670**	**1,525**	**1**	**2,037**	**9,706**	**5,660**	**57,434**	**8,170**	**5,714**
Noncurrent Assets									
Investments	-	1,552	-	1,110	-	-	89,168	-	-
Restricted investments	2,240	-	-	8,307	1,523	-	-	-	-
Endowment investments	-	-	-	-	-	960	300,579	-	-
Loans receivable, net	-	-	-	-	-	-	-	-	-
Capital assets, net	-	397	-	-	-	-	1,100	11,540	77
Pledges receivable, net	182	-	-	246	599	732	7,310	-	-
Other noncurrent assets	24	-	-	-	-	-	12,510	8,135	-
Total Noncurrent Assets	**2,446**	**1,949**	**-**	**9,663**	**2,122**	**1,692**	**410,667**	**19,675**	**77**
TOTAL ASSETS	**10,116**	**3,474**	**1**	**11,700**	**11,828**	**7,352**	**468,101**	**27,845**	**5,791**
DEFERRED OUTFLOWS OF RESOURCES									
Intra-entity sales of future revenues	-	-	-	-	-	-	-	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-	-	-	-	-	-
LIABILITIES									
Current Liabilities									
Accounts payable	5	4	-	23	5	-	967	483	-
Accrued payroll and related liabilities	-	-	-	26	-	-	-	-	-
Current portion of leases payable	-	-	-	-	-	-	-	-	-
Leases Payable Due to Related Organizations	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	3	-	-	-	-	-	-
Funds held in trust for others	-	-	-	-	-	78	-	-	-
Due to affiliates (SROs)	-	-	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	487	28	5,006	-
Total Current Liabilities	**5**	**4**	**3**	**49**	**5**	**565**	**995**	**5,489**	**-**
Noncurrent Liabilities									
Unearned revenue	-	-	89	-	-	-	-	-	-
Lease Payable Due to Related Organizations, LT	-	-	-	-	-	-	-	-	-
Leases payable	-	-	-	-	-	-	-	-	-
Subscriptions Payable	-	-	-	-	-	-	-	-	-
Due to State of Nevada	-	-	-	-	-	-	-	-	-
Due to affiliates (SROs)	-	7	-	-	-	-	-	-	-
Other noncurrent liabilities	-	-	-	-	-	-	412	-	-
Total Noncurrent Liabilities	**-**	**7**	**89**	**-**	**-**	**-**	**412**	**-**	**-**
TOTAL LIABILITIES	**5**	**11**	**92**	**49**	**5**	**565**	**1,407**	**5,489**	**-**
DEFERRED INFLOWS OF RESOURCES									
Split-interest agreements	-	-	-	-	-	-	907	-	-
Unearned lease revenue	-	-	-	-	-	-	-	11,540	-
TOTAL DEFERRED INFLOW OF RESOURCES	-	-	-	-	-	-	907	11,540	-
NET POSITION									
Net investment in capital assets	-	397	-	-	-	-	1,100	11,540	-
Restricted - Nonexpendable	2,265	-	-	5,115	1,550	965	198,397	-	-
Restricted - Expendable - Scholarships, research and instruction	6,271	896	-	4,881	9,774	4,981	263,938	-	-
Restricted - Expendable - Capital projects	-	-	-	249	-	-	-	-	-
Unrestricted	1,575	2,170	(91)	1,406	499	841	2,352	(724)	5,791
TOTAL NET ASSETS	**$ 10,111**	**$ 3,463**	**$ (91)**	**$ 11,651**	**$ 11,823**	**$ 6,787**	**$ 465,787**	**$ 10,816**	**$ 5,791**

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

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

NOTE 23 - System Related Organizations (continued)

NEVADA SYSTEM OF HIGHER EDUCATION SYSTEM RELATED ORGANIZATIONS
NET POSITION AS OF JUNE 30, 2023

	UNLV Alumni Association	UNLV Rebel Football Foundation	UNLV Rebel Soccer Foundation	UNLV Singapore Limited	UNLVMED	UNR Foundation	UNR WPAA	WNC Foundation	Total System Related Organizations
ASSETS									
Current Assets									
Cash and cash equivalents	$ 380	$ 403	$ 208	$ 600	$ 7,791	$ 54,575	$ 65	$ 434	$ 89,338
Restricted cash and cash equivalents	-	-	-	-	94	-	-	404	12,641
Short-term investments	2,202	1,534	366	4,807	-	264,964	8,933	-	322,231
Accounts receivable, net	37	-	-	-	3,293	-	-	-	3,835
Receivable from U.S. Government	-	-	-	-	-	-	-	-	5,366
Pledges receivable, net	-	-	-	-	-	6,099	-	-	18,453
Patient accounts receivable, net	-	-	-	-	5,483	-	-	-	5,483
Current portion of loans receivable, net	-	-	-	-	-	30	-	-	30
Inventories	-	-	-	-	427	-	-	-	427
Deposits and prepaid expenditures, current	15	-	-	2	143	-	-	-	351
Due from affiliates (SROs)	-	-	-	-	99	201	-	-	1,682
Other current assets	-	-	-	55	-	2,033	44	-	3,801
Total Current Assets	**2,634**	**1,937**	**574**	**5,464**	**17,330**	**327,902**	**9,042**	**838**	**463,638**
Noncurrent Assets									
Investments	-	-	-	-	-	-	-	-	91,830
Restricted investments	-	-	-	-	-	-	-	6,794	18,864
Endowment investments	-	-	970	-	-	110,235	-	-	412,744
Loans receivable, net	-	-	-	-	-	47	-	-	47
Capital assets, net	15	-	-	-	263	34,326	38	-	47,756
Pledges receivable, net	-	-	-	-	-	4,013	-	-	13,082
Other noncurrent assets	-	-	-	-	19,684	19,821	-	-	60,174
Total Noncurrent Assets	**15**	**-**	**970**	**-**	**19,947**	**168,442**	**38**	**6,794**	**644,497**
TOTAL ASSETS	**2,649**	**1,937**	**1,544**	**5,464**	**37,277**	**496,344**	**9,080**	**7,632**	**1,108,135**
DEFERRED OUTFLOWS OF RESOURCES									
Intra-entity sales of future revenues	-	-	-	-	-	-	-	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-	-	-	-	-	-
LIABILITIES									
Current Liabilities									
Accounts payable	4	11	24	-	2,053	103	-	-	3,682
Accrued payroll and related liabilities	-	-	-	-	1,261	-	-	-	1,287
Current portion of leases payable	-	-	-	-	81	-	-	-	81
Leases Payable Due to Related Organizations	-	-	-	-	2,888	-	-	-	2,888
Unearned revenue	-	-	-	-	-	-	-	54	57
Funds held in trust for others	-	-	-	-	-	-	-	-	78
Due to affiliates (SROs)	-	-	-	-	2,452	921	-	-	3,373
Other current liabilities	-	200	-	16	800	43	-	7,160	13,740
Total Current Liabilities	**4**	**211**	**24**	**16**	**9,535**	**1,067**	**-**	**7,214**	**25,186**
Noncurrent Liabilities									
Unearned revenue	-	-	-	-	-	1,280	-	-	1,369
Lease Payable Due to Related Organizations, LT	-	-	-	-	15,437	-	-	-	15,437
Leases payable	-	-	-	-	315	-	-	-	315
Subscriptions Payable	-	-	-	-	-	-	-	-	-
Due to State of Nevada	-	-	-	-	-	-	-	-	-
Due to affiliates (SROs)	-	-	-	-	-	-	-	-	7
Other noncurrent liabilities	-	-	-	-	1,163	-	-	-	1,575
Total Noncurrent Liabilities	**-**	**-**	**-**	**-**	**16,915**	**1,280**	**-**	**-**	**18,703**
TOTAL LIABILITIES	**4**	**211**	**24**	**16**	**26,450**	**2,347**	**-**	**7,214**	**43,889**
DEFERRED INFLOWS OF RESOURCES									
Split-interest agreements	-	-	-	-	-	7,525	-	-	8,432
Unearned lease revenue	-	-	-	-	-	-	-	-	11,540
TOTAL DEFERRED INFLOW OF RESOURCES	-	-	-	-	-	7,525	-	-	**19,972**
NET POSITION									
Net investment in capital assets	15	-	-	-	(336)	44,116	38	-	56,870
Restricted - Nonexpendable	-	47	764	-	-	199,665	2,974	-	411,742
Restricted - Expendable - Scholarships, research and instruction	2	93	205	-	94	221,525	5,126	-	517,786
Restricted - Expendable - Capital projects	-	-	-	-	-	-	-	-	249
Unrestricted	2,628	1,586	551	5,448	11,069	21,166	942	418	57,627
TOTAL NET ASSETS	**$ 2,645**	**$ 1,726**	**$ 1,520**	**$ 5,448**	**$ 10,827**	**$ 486,472**	**$9,080**	**$ 418**	**$ 1,044,274**

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

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

NOTE 23 - System Related Organizations (continued)

NEVADA SYSTEM OF HIGHER EDUCATION SYSTEM RELATED ORGANIZATIONS
REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 20, 2023

	CSN Foundation	DRI Foundation	DRI Research Park	GBC Foundation	NSC Foundation	TMCC Foundation	UNLV Foundation	UNLV Research Foundation	Rebel Golf Foundation
Operating Revenues									
Patient revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contract revenue	-	-	-	-	-	-	-	5,832	-
Contributions	366	1,496	-	1,245	6,297	2,120	29,400	147	16
Campus support	795	350	101	57	-	295	2,569	-	-
Special events and fundraising	178	-	-	-	-	-	-	-	4
Other operating revenues	4	-	3	-	183	133	3,603	864	65
Total Operating Revenues	1,343	1,846	104	1,302	6,480	2,548	35,572	6,843	85
Operating Expenses									
Employee compensation and benefits	-	(350)	(86)	-	(285)	-	(2,534)	(142)	-
Supplies and services	(496)	(58)	(15)	-	(328)	-	(5,692)	(356)	(46)
Program expenses, System Related Organizations	(1,810)	-	-	(94)	(1,286)	(2,991)	(149)	-	(24)
Depreciation	-	-	-	-	-	-	(71)	(126)	-
Other operating expenses	(74)	(3)	-	(247)	-	(406)	-	-	-
Total Operating Expenses	(2,380)	(411)	(101)	(341)	(1,899)	(3,397)	(8,446)	(624)	(70)
Operating Income (Loss)	(1,037)	1,435	3	961	4,581	(849)	27,126	6,219	15
Nonoperating Revenues (Expenses)									
Investment Income (Loss), net	751	16	-	599	-	470	26,848	65	509
Payments to System campuses and divisions	-	(1,283)	-	(2,234)	-	-	(33,614)	(200)	(350)
Interest expense	-	-	-	-	-	-	-	-	-
Other nonoperating revenues (expenses)	-	-	-	-	-	-	40	-	-
Total Nonoperating Revenues (Expenses)	751	(1,267)	-	(1,635)	-	470	(6,726)	(135)	159
Income (Loss) Before Other Revenue (Expenses)	(286)	168	3	(674)	4,581	(379)	20,400	6,084	174
Other Revenues (Expenses)									
Additions to permanent endowments	90	-	-	29	219	-	11,290	-	-
Other Foundation revenues (expenses)	-	-	-	-	-	-	-	-	-
Total Other Revenues (Expenses)	90	-	-	29	219	-	11,290	-	-
Increase (Decrease) in Net Position	(196)	168	3	(645)	4,800	(379)	31,690	6,084	174
NET POSITION									
Net position - beginning of year	10,307	3,295	(94)	12,296	7,023	7,166	434,097	4,732	5,617
Net position - end of year	$ 10,111	$ 3,463	$ (91)	$ 11,651	$ 11,823	$ 6,787	$ 465,787	$ 10,816	$ 5,791

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

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

NOTE 23 - System Related Organizations (continued)

NEVADA SYSTEM OF HIGHER EDUCATION SYSTEM RELATED ORGANIZATIONS
REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 20, 2023

	UNLV Alumni Association	UNLV Rebel Football Foundation	UNLV Rebel Soccer Foundation	UNLV Singapore Unlimited	UNLVMED	UNR Foundation	UNR WPAA	WNC Foundation	Total System Related Organizations
Operating Revenues									
Patient revenue	$ -	$ -	$ -	$ -	$ 37,995	$ -	$ -	$ -	$ 37,995
Contract revenue	-	-	-	-	16,241	-	-	-	22,073
Contributions	723	19	23	-	-	65,751	34	1,198	108,835
Campus support	-	-	-	-	-	3,954	-	253	8,374
Special events and fundraising	64	72	58	-	-	1,310	-	167	1,853
Other operating revenues	238	55	3	-	10,861	-	-	21	16,033
Total Operating Revenues	1,025	146	84	-	65,097	71,015	34	1,639	195,163
Operating Expenses									
Employee compensation and benefits	(698)	-	-	(44)	(23,432)	(4,221)	-	(286)	(32,078)
Supplies and services	(170)	(54)	(13)	(25)	(505)	(952)	(25)	-	(8,735)
Program expenses, System Related Organizations	(393)	(284)	(54)	(129)	(11,406)	(2,764)	-	-	(21,384)
Depreciation	(4)	-	-	-	(4,195)	-	(1)	-	(4,397)
Other operating expenses	-	-	-	-	-	-	-	(129)	(859)
Total Operating Expenses	(1,265)	(338)	(67)	(198)	(39,538)	(7,937)	(26)	(415)	(67,453)
Operating Income (Loss)	(240)	(192)	17	(198)	25,559	63,078	8	1,224	127,710
Nonoperating Revenues (Expenses)									
Investment Income (Loss), net	277	215	131	122	-	17,009	912	45	47,969
Payments to System campuses and divisions	-	-	(62)	-	(27,740)	(33,947)	(775)	(1,163)	(101,368)
Interest expense	-	-	-	-	(362)	-	-	-	(362)
Other nonoperating revenues (expenses)	-	-	-	-	3,537	-	-	-	3,577
Total Nonoperating Revenues (Expenses)	277	215	69	122	(24,565)	(16,938)	137	(1,118)	(50,184)
Income (Loss) Before Other Revenue (Expenses)	37	23	86	(76)	994	46,140	145	106	77,526
Other Revenues (Expenses)									
Additions to permanent endowments	-	-	-	-	-	60,678	60	-	72,366
Other Foundation revenues (expenses)	-	-	-	151	-	-	-	-	151
Total Other Revenues (Expenses)	-	-	-	151	-	60,678	60	- -	72,517
Increase (Decrease) in Net Position	37	23	86	75	994	106,818	205	106	150,043
NET POSITION									
Net position - beginning of year	2,608	1,703	1,434	5,373	9,833	379,654	8,875	312	894,231
Net position - end of year	$ 2,645	$ 1,726	$ 1,520	$ 5,448	$ 10,827	$ 486,472	$9,080	$ 418	$ 1,044,274

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

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

NOTE 24 - System Related Organizations (continued):

UNR Foundation:

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

		2023
Cash and cash equivalents	$	5,052
Money market funds		49,523
	$	54,575

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

		2023
Equity investments	$	1,701
Commingled funds		340,872
Certificates of deposits		4,075
Corporate bonds		3,707
U.S. Government securities		24,844
	$	375,199

At June 30, 2023, the Foundation's investments had the following maturities:

	Investment Maturities (in years)							
	Less than 1		1-5		6-21		Fair Value	
Certificates of deposits	$	3,832	$	243	$	-	$	4,075
Corporate bonds		-		3,707		-		3,707
U.S. Government securities		11,713		13,131		-		24,844
	$	15,545	$	17,081	$	-	$	32,626

The Foundation's investment pool is split into two discrete pools: the operating pool and the endowment pool. The Foundation's policy for the operating pool is to exercise sufficient due diligence to minimize investing operating cash in instruments that will lack liquidity. The Foundation considers cash to consist of both short-term and long-term funds. The short-term fund shall be funded in an amount sufficient to meet the expected daily cash requirements of the Foundation. The goals of the investments are to maintain the principal in the account while maximizing the return on the investments. The short-term funds are staggered in 30, 60 and 90-day investments. Appropriate types of investments are money market funds, certificates of deposit, commercial paper, U.S. Treasury bills and notes, mortgage-backed securities (U.S. Government) and internal loans to the University secured by a promissory note with an appropriate interest rate. The intermediate term operating cash is invested in fixed income securities generally having an average maturity of five years or less in order to take advantage of higher yields, and include longer term certificates of deposit, government securities, or corporate notes.

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

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

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

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

NOTE 24 - System Related Organizations (continued):

Investment Program Strategy

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

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

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

Investment Risk Factors

There are many factors that can affect the fair value of investments. Some factors, such as credit risk and concentrations of credit risk may affect fixed income securities, which are particularly sensitive to credit risks and changes in interest rates. The Investment Committee meets quarterly to review the investments and has policies regarding acceptable levels of risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an organization's investment in a single issuer. The Foundation restricts investment of cash and cash equivalents and investments to financial institutions with high credit standing, and the Foundation currently purchases certificates of deposit of less than $250 per bank or institution. Commercial paper is limited to a maximum of 10% of the total cash and cash equivalents available. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents and investments.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Fixed income securities or obligations of the U.S. Government are not considered to have credit risk.

At June 30, 2023, the Foundation's investments had the following quality ratings:

	Quality Ratings			
	Fair Value	AAA - A-	BBB+ - B-	Unrated
Corporate Bonds	$ 3,707	$ 3,517	$ 190	$ -

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Foundation's investment policy limits the maturities of U.S. Treasury instruments and certificates of deposit to no more than 90 days unless the rate justifies the return and the current liquidity requirements are met.

NOTE 24 - System Related Organizations (continued):

Custodial Credit Risk – Deposits

This is the risk that in the event of a bank failure, the Foundation's deposits exceed FDIC limits and as a result may not be insured and returned to the Foundation. All cash deposits are primarily deposit with two financial institutions and several investment companies. The Foundation does not have a deposit policy for custodial credit risk. As of June 30, 2023, the Foundation's bank balances totaled $54,200. Of this balance, $900 was covered by depository insurance and $49,500 is held in U.S. Government Money Market Funds and the remaining $3,800 was uninsured and uncollateralized and, as a result, was subject to custodial credit risk at June 30, 2023.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the Foundation will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments consist primarily of commingled funds. Debt and equity securities other than open-end mutual funds are uncollateralized.

Redemption Notice

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

Commitments

As of June 30, 2023, the Foundation has commitments to acquire approximately $34,200, in commingled funds.

Fair Value Measurements

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

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

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

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

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

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

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

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

NOTE 24 - System Related Organizations (continued):

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

Assets measured at fair value on a recurring basis at June 30, 2023, are:

	Level 1	NAV	Total
Investments			
Equity investments	$ 1,701	$ -	$ 1,701
Commingled funds	189,655	151,216	340,871
Certificate of deposit	4,075	-	4,075
Corporate bonds	3,707	-	3,707
U.S. Government securities	24,844	-	24,844
	$ 223,982	$ 151,216	$ 375,198
Residual interest in trusts			
Commingled funds	$ -	$ 618	$ 618

The Foundation did not hold any investments fair valued using Level 2 or 3 inputs for the year ended June 30, 2023.

Related Party Transactions

The University provided the Foundation with administrative and support services for the year ended June 30, 2023, in the amount of $4,000. The Foundation expended $14,700 for capital projects, programs, and scholarships for the University of Nevada for the year ended June 30, 2023. Amounts transferred to related parties for the year ended June 30, 2023, was $21,700. The amount due to the University of Nevada at June 30, 2023, was $1,000. Amounts due from the University of Nevada at June 30, 2023, was $200 at year end.

The Foundation received $800 from NSHE for year ended June 30, 2023, for management fees related to endowments held on the University's behalf. This amount is included in investment income on the Statement of Support and Revenue, Expenses and Changes in Net Position. The Foundation recorded pledges receivable from related parties of $1,100 for the year ended June 30, 2023, and in-kind contributions of $100, for the year ended June 30, 2023. The Foundation received $50,000 from the University during the year ended June 30, 2023, for a quasi-endowment to aid in funding the new business building.

UNLV Foundation:

The UNLV Foundation accounts for investments in accordance with GASB Statement N. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, which requires government entities to report investments at fair value in the statements of net position and GASB 72, *Fair Value Measurement and Application*, which requires disclosures made about fair value measurements, the level of fair value hierarchy, and valuation techniques.

The calculation of realized gains and losses is independent of the calculation of the net change in the fair value of investments. Realized gains and losses on investments that had been held more than one fiscal year and sold in the current year were included as a change in the fair value of investments reported in prior years. Investment expenses of $774 for the year ended June 30, 2023 and was netted against interest and dividends on the accompanying Statements of Support and Revenues, Expenses and Changes in Net Position. Investments are recorded on the date of settlement.

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

NOTE 24 - System Related Organizations (continued):

Investments consist of the following at June 30, 2023		
Mutual funds	$	48,487
Certificates of deposits		2,792
Equities		17,619
Collateralized securities		41,741
U.S. government obligations		48,550
U.S. corporate bonds		30,886
Alternative investments		214,896
Non-U.S. corporate bonds		9,844
Investment in securities at fair value	$	414,815

Investment in securities at fair value		
Investment in securities - Current	$	25,068
Investment in securities - Non-Current		389,747
Investment in securities at fair value	$	414,815

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the UNLV Foundation will not be able to recover deposits or collateral securities that are in the possession of an outside party. At June 30, 2023, the total balance for the UNLV Foundation's cash and money market funds was $18,500. Of this balance, $500 at June 30, 2023, were covered by the Federal Deposit Insurance Corporation, and $18,000 was uninsured at June 30, 2023. Cash balances in United States banks are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250 per bank.

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

Credit Risk

Credit risk is the risk that an issuer will not fulfill its obligations. The UNLV Foundation reduces its exposure to credit risk with policy guidelines that instruct money managers to purchase securities rated investment grade or better. However, up to 25% of the fixed-income portfolios may be allocated to below investment grade. The credit ratings of fixed income investments at June 30, 2023, are as follows:

June 30, 2023	Total	AAA	AA	A	BBB	Below Investment Grade
Collateralized securities	$ 41,741	$ 39,470	$ 1,144	$ 607	$ 340	$ 180
U.S. corporate bonds	30,885	-	459	10,235	19,207	984
Non-U.S. corporate bonds	9,845	-	168	3,281	5,807	589
Total	**$ 82,471**	**$ 39,470**	**$ 1,771**	**$ 14,123**	**$ 25,354**	**$ 1,753**

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

NOTE 24 - System Related Organizations (continued):

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

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Foundation's investments within any one issuer. For the fixed income portion of the endowment pool, the Foundation's policy for reducing its exposure to concentration of credit risk is to limit the investments within any one issuer to a maximum of 5% of the fixed income portfolio, provided that issues of the U.S. Government or agencies of the U.S. Government may be held without limitation and provided further that issues of agencies of the U.S. Government shall be limited to the extent set forth in the manager-specific guidelines. The Foundation does not have a specific policy with regard to the operating pool or the remainder of the endowment pool. At June 30, 2023, the Foundation held $4,734 or 5.74% of concentration in Federal Home Loan Mortgage Corp.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The UNLV Foundation's policy guidelines on maturity parameters state that the fixed-income portfolio's average weighted duration is to remain within 20% of the benchmark duration.

For investments in donor-restricted endowment funds, the UNLV Foundation uses the Bloomberg Barclays Aggregate U.S. Bond Index average as the benchmark; maturity as of June 30, 2023, were 8.52 years. The fixed-income portfolio's average maturity was 10.79 years at June 30, 2023. Interest rates range from 3.43% to 5.25% for the year ended.

For investments in donor-restricted expendable funds, the UNLV Foundation uses the Bloomberg Barclays Aggregate U.S. Bond Index average as the benchmark; maturity as of June 30, 2023, were 8.80 years. The fixed-income portfolio's average maturity was 9.8 years at June 30, 2023. Interest rates range from 0.00% to 11.50% for the year ended.

Investments at June 30, 2023	Maturity under 1 Year	Maturity 1 -5 Years	Maturity 6 -10 Years	Maturity over 10 Years	Total
Mutual funds	$ 22,660	$ 25,826	$ -	$ -	$ 48,486
Certificates of deposits	420	2,372	-	-	2,792
Collateralized securities	-	5,053	3,952	32,736	41,741
U.S. Government obligations	-	18,326	16,398	13,826	48,550
U.S corporate bonds	1,909	13,584	7,906	7,487	30,886
Non-U.S. corporate bonds	79	4,929	3,830	1,007	9,845
Investment in Securities at Fair Value	$ 25,068	$ 70,090	$ 32,086	$ 55,056	$ 182,300

Foreign Currency Risk

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

Fair Value Measurements

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

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

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

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

NOTE 24 - System Related Organizations (continued):

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

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

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

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

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

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

Assets measured at fair value on a recurring basis at June 30, 2023, are:

Investments at June 30, 2023	Level 1	Level 2	Level 3	NAV	Total
Alternative investment	$ -	$ -	$ -	$ 214,896	$ 214,896
Mutual funds	48,487	-	-	-	48,487
Collateralized securities	-	41,741	-	-	41,741
U.S corporate bonds	30,886	-	-	-	30,886
Non-U.S. corporate bonds	9,844	-	-	-	9,844
Equities	17,619	-	-	-	17,619
Certificates of deposits	2,792	-	-	-	2,792
U.S. Government obligations	48,550	-	-	-	48,550
	$ 158,178	$ 41,741	$ -	$ 214,896	$ 414,815
Investments in real estate	$ -	$ -	$ 10,830	$ -	$ 10,830
Assets held in charitable remainder trusts					
Equities	$ -	$ -	$ 1,203	$ -	$ 1,203

Related Party Transactions

UNLV contributes to the administrative and accounting support of the UNLV Foundation. This support totaled $2,600 for the year ended June 30, 2023, is included as University Support on the accompanying Statements of Support and Revenues, Expenses and Changes in Net Position.

NOTE 24 - System Related Organizations (continued):

The Foundation transfers funds for programs and scholarships as requested by UNLV and its affiliated foundations, as appropriate and approved. Program expenses in the amount of $21,100 were transferred to UNLV and its affiliated foundations for the year ended June 30, 2023. Scholarship expenses were $8,800 for year ended June 30, 2023. Both are included in the accompanying Statements of Support and Revenues, Expenses and Changes in Net Position.

The UNLV Foundation transfers funds for salaries and benefits to UNLV. Due to the timing of payroll, position vacancies, and salary reassignments, the amount in the UNLV Foundation account at UNLV is treated as Due to UNLV or a Due to the UNLV Foundation. The UNLV Foundation had a Due from UNLV of $1,400 as of June 30, 2023, resulting primarily from amounts transferred to UNLV for salaries and benefits that are not year payable as of the end of the year.

UNLV Medicine Inc.:

Patient Accounts Receivable

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

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

Operating Revenues and Expenses

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

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

Net Patient Services Revenue

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

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

NOTE 24 - System Related Organizations (continued):

Net patient service revenue is reported when services are provided to patients, including capitation payment arrangements, at the estimated net realizable amounts from patients, third-party payors including Medicare and Medicaid, and others for services rendered, including estimated retroactive audit adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Contractual adjustments include differences between established billing rates and amounts reimbursable under various contractual agreements. Contractual adjustments are recorded as deductions from professional fee revenue to arrive at net patient service revenue. Contractual adjustments were $41,991 during the fiscal years ended June 30, 2023. The Organization also treats patients without insurance or provides elective surgery services that are not covered by third-party payors. Bad debt expenses of $7,170 were incurred during the fiscal year ended June 30, 2023.

Contract Revenue

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

Transactions with Affiliates and Related Parties

KSOM pays salaries for all its faculty physician members along with leases, malpractice, EMR, and other administration expenses. The Company reimburses KSOM for any amounts not covered by state appropriations, grant contract income, or other sources that are administered by KSOM. During the fiscal year ended June 30, 2023, the Company paid $20,095 to KSOM for physician salaries, $3,577 for leases, $1,830 for malpractice, legal, and general liability expenses, $1,673 for EMR and IT expenses, and $163 for other administration expenses for a total of $27,338 paid to KSOM. As of June 30, 2023, the Company owed KSOM $2,452, for salaries, leases, EMR and IT expenses, and other administration expenses, which are included in the net due to affiliates in the accompanying Statements of Net Position.

On April 16, 2020, a Memorandum of Understanding ("MOU") was made by and between the Board of Regents of the NSHE on behalf of KSOM and UNLV Health. The MOU commenced and continues in full force and effect for five years from the effective date of April 6, 2020. The purpose of the MOU is to memorialize those certain real estate leases held under the name of KSOM as lessee, but for which KSOM has granted UNLV Health rights to use the respective facility assets. In return for KSOM granting UNLV Health the RTU to use those certain facility assets, UNLV Health will be responsible for paying monthly financial obligations due for said leases for the duration of the lease terms unless the parties agree otherwise in writing.

The Company is covered under a professional liability insurance policy for medical malpractice claims that is purchased by KSOM and names the Company as additional named insured. The policy is on a claims-made basis and provides coverage of $1,000 per claim and $3,000 per year in the aggregate. KSOM presently intends to renew claims-made coverage annually and expects to be able to obtain such coverage. The Company reimbursed KSOM $1,782 for the professional liability malpractice insurance and other insurance premiums during the year ended June 30, 2023.

At June 30, 2023, the Company recorded ROU facility assets sub-leased from KSOM of $17,747, and lease liabilities of $18,325.

During the fiscal year ended June 30, 2023, KSOM gifted the Company $3,537 ("the KSOM Gift"), in the form of liability forgiveness. The KSOM Gift was made available to UNLV Health to help cover physician and information technology salaries of $3,231 and $306, respectively.

The Company also paid $ 238 to UNLV for PCC expenses that consisted of (a) variable cost rent expense of $210 and (b) interest expense of $28.

During the year ended June 30, 2023, the Company paid $1,639 to KSOM for the Resolute Billing System, part of electronic medical record system maintenance.

During the fiscal year ended June 30, 2023, the Company paid KSOM $113 for the reimbursement of one-time charges for audit fees.

The Company provides coverage in UNLV's student health clinic, sport medicine, and obstetrics/gynecology. The total amount of service provided and included in contract revenue for the fiscal year ended June 30, 2023, was $385. The total amount due from UNLV in relation with these services as of June 30, 2023 was $24.

NOTE 25 – COVID-19:

Since March 17, 2020, the spread of COVID-19 has severely impacted our state economy and resulted in reductions in state appropriations and revenues generated from operations. Measures taken to contain the spread of the virus included placing capital projects on hold, furloughs, travel bans, quarantines, social distancing, and closures of non-essential services. The U.S. Government has responded with monetary and fiscal interventions to stabilize the economic conditions. In Fiscal 2023 the universities and colleges have received direct awards for student financial aid and essential services. Those funds are reported in the financial statements as of June 30, 2023. The U.S. Government also provided direct awards to the State of Nevada.

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REQUIRED SUPPLEMENTARY INFORMATION

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
System's proportion of the net pension liability	2.78%	2.99%	3.00%	3.00%	2.92%	2.88%	2.89%	2.83%	2.81%	(Historical information prior to the implementation of GASB 67/68 is not required)
System's proportionate share of the net pension liability	$ 501,370	$ 272,974	$ 424,238	$ 414,036	$ 398,883	$ 383,226	$ 389,352	$ 324,708	$ 292,841	
System's covered-employee payroll	$ 198,288	$ 205,049	$ 200,838	$ 196,183	$ 187,737	$ 179,694	$ 171,007	$ 165,653	$ 162,250	
System's proportionate share of the net pension liability as a percentage of its covered-employee payroll	252.85%	133.13%	211.23%	211.05%	212.47%	213.27%	227.68%	196.02%	180.49%	
PERS fiduciary net position as a percentage of the total net pension liability	75.12%	86.51%	77.04%	76.46%	75.24%	74.42%	72.23%	75.13%	75.13%	

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

The accompanying notes are an integral part of these financial statements

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractual required contribution	$ 32,454	$ 30,715	$ 31,286	$ 30,564	$ 28,549	$ 27,030	$ 34,456	$ 33,124	$ 29,901	(Historical information prior to the implementation of GASB 67/68 is not required)
Contributions in relation to contractually required contribution	(32,454)	(30,715)	(31,286)	(30,564)	(28,549)	(27,030)	(43,152)	(35,756)	(29,901)	
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ (8,696)	$ (2,632)	$ -	
System's covered-employee payroll	$ 209,321	$ 198,288	$ 205,049	$ 200,838	$ 196,183	$ 187,737	$ 179,694	$ 171,007	$ 165,653	
Contributions as a percentage of covered-employee payroll	15.50%	15.49%	15.26%	15.22%	14.55%	14.40%	19.17%	19.37%	18.05%	

The accompanying notes are an integral part of these financial statements

Unaudited

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
System's proportion of the net OPEB liability	40.56%	40.10%	40.35%	40.85%	39.13%	(Historical information prior to the implementation of GASB 74/75 is not required)				
System's proportionate share of the net OPEB liability	584,918	621,544	606,769	569,268	518,254					
System's covered-employee payroll	740,121	744,695	757,182	711,803	667,622					
System's proportion share of the net OPEB liability as a percentage of its covered-employee payroll	79.03%	83.46%	80.14%	79.98%	77.63%					
State of Nevada Retirees' Health and Welfare Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%					

The accompanying notes are an integral part of these financial statements

Unaudited

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractual required contributions	$ 16,710	$ 16,061	$ 17,426	$ 17,794	$ 16,727	$ 15,689	(Historical information prior to the implementation of GASB 74/75 is not required)			
Contributions in relation to the contractual required contribution	(16,785)	(16,058)	(15,857)	(17,716)	(16,656)	(15,702)				
Contribution deficiency(excess)	$ (75)	$ 3	$ 1,569	$ 78	$ 71	$ (13)				
System's covered-employee payroll	$ 770,032	$ 740,121	$ 744,695	$ 757,182	$ 711,803	$ 667,622				
Contributions as a percentage of covered-employee payroll	2.17%	2.17%	2.34%	2.35%	2.35%	2.35%				

The accompanying notes are an integral part of these financial statements

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

Valuation date	June 30, 2022
Measurement Date	June 30, 2022
Methods used to determine contribution rates:	
Acturial Cost Method	Entry Age Normal Level % of Pay
Asset Valuation Method	Market Value
Discount Rate	3.54% bond index as of June 30, 2022
Inflation Rate	2.50%
Investment Return Assumptions	2.50%; same as Inflation Rate assumption

The accompanying notes are an integral part of these financial statements

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SUPPLEMENTAL INFORMATION

NEVADA SYSTEM OF HIGHER EDUCATION
COMBINING STATEMENTS OF NET POSITION (in $1,000's)
AS OF JUNE 30, 2023

	CSN	DRI	GBC	NSC	SA	TMCC
ASSETS						
Current Assets						
Cash and cash equivalents	$ 16,683	$ 7,244	$ 1,985	$ 7,066	$34,475	$ 9,798
Short-term investments	70,713	29,552	7,055	19,042	10,822	36,906
Accounts receivable, net	6,007	2,491	1,798	1,005	455	2,388
Receivable from U.S. Government	5,692	5,491	1,344	1,393	1,862	3,911
Receivable from State of Nevada	981	255	377	380	719	1,707
Receivable from other institutions	-	-	-	12	1,000	212
Current portion of loans receivable, net	-	-	-	-	-	-
Due from System Related Organizations	-	-	-	-	-	-
Leases receivable	-	-	-	-	-	83
Leases receivable Due from Related Organizations	-	-	-	-	-	-
Inventories	874	-	-	-	-	40
Deposits and prepaid expenditures, current	1,247	104	292	4	2,607	32
Other current assets	-	-	-	-	-	71
Total Current Assets	102,197	45,137	12,851	28,902	51,940	55,148
Noncurrent Assets						
Due from System Related Organizations	-	7	-	-	-	-
Cash held by State Treasurer	359	-	27	109	2	-
Restricted cash and cash equivalents	1,564	-	-	-	-	-
Endowment investments	7,191	40,540	869	-	11,179	13,640
Deposits and prepaid expenditures	13	-	-	-	-	-
Loans receivable, net	-	-	-	-	-	-
Leases receivable, LT	-	-	-	-	-	-
Leases receivable due from Related Organizations, LT	-	-	-	-	-	-
Capital assets, net	282,248	46,034	42,963	116,760	29,300	77,128
Other noncurrent assets	-	-	-	-	-	-
Total Noncurrent Assets	291,375	86,581	43,859	116,869	40,481	90,768
TOTAL ASSETS	393,572	131,718	56,710	145,771	92,421	145,916
DEFERRED OUTFLOWS OF RESOURCES						
OPEB related	3,932	1,118	577	1,198	675	1,313
Loss on bond refunding	-	-	-	-	-	-
Pension related	35,289	7,973	5,348	6,648	7,837	11,919
TOTAL DEFERRED OUTFLOWS OF RESOURCES	39,221	9,091	5,925	7,846	8,512	13,232

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

	CSN	DRI	GBC	NSC	SA	TMCC
LIABILITIES						
Current Liabilities						
Accounts payable	2,877	695	135	563	2,096	1,773
Accrued payroll and related liabilities	8,040	2,510	1,105	2,934	13,253	2,973
Unemployment insurance and workers' compensation	461	35	68	34	17	123
Due to other institutions	2,024	738	273	675	(20,295)	624
Due to System Related Organizations	-	-	-	-	-	-
Current portion of compensated absences	3,751	3,659	395	925	1,207	1,362
Current portion of long-term debt	1,652	133	-	1,664	-	515
Current portion of leases payable	470	-	18	-	625	-
Current portion of subscriptions payable	2,437	63	153	411	3,893	145
Accrued interest payable	1,221	1	12	38	413	308
Unearned revenue	4,767	3,737	990	3,829	355	1,646
Deposits held for others	281	-	68	16	-	69
Other current liabilities	29	-	-	1	-	-
Total Current Liabilities	28,010	11,571	3,217	11,090	1,564	9,538
Noncurrent Liabilities						
Refundable advances under federal loan programs	-	-	-	-	-	-
Compensated absences	1,325	901	193	1,717	806	456
Long-term debt	65,322	-	-	41,671	-	14,819
Lease payable	1,642	-	37	-	1,896	-
Subscriptions payable	3,070	90	363	838	15,859	426
Net pension liability	66,906	15,537	10,574	9,782	13,579	23,556
Net OPEB Liability	60,314	17,157	8,848	18,383	10,350	20,139
Other noncurrent liabilities	-	-	-	623	-	-
Total Noncurrent Liabilities	198,579	33,685	20,015	73,014	42,490	59,396
TOTAL LIABILITIES	226,589	45,256	23,232	84,104	44,054	68,934
DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-
Service concession arrangements	-	-	-	-	-	-
Deferred inflows on leases	-	-	-	-	-	81
OPEB related	7,054	2,007	1,036	2,150	1,211	2,355
Gain on bond refunding	-	-	-	-	-	-
Pension related	15,470	3,975	2,559	2,124	4,157	5,968
TOTAL DEFERRED INFLOWS OF RESOURCES	22,524	5,982	3,595	4,274	5,368	8,404
NET POSITION						
Net investment in capital assets	207,655	45,785	40,371	53,190	6,615	61,223
Restricted - Nonexpendable	2,235	24,098	869	-	7,174	6,011
Restricted - Expendable - Scholarships, research and instruction	9,254	22,670	565	1,835	5,397	8,500
Restricted - Expendable - Loans	-	-	152	(107)	28	52
Restricted - Expendable - Capital projects	1,923	11	3,495	24	8	-
Restricted - Expendable - Debt service	6,948	-	719	9,175	-	1,529
Unrestricted	(44,335)	(2,993)	(10,363)	1,122	32,289	4,495
TOTAL NET POSITION	$183,680	$89,571	$35,808	$65,239	$51,511	$81,810

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

NEVADA SYSTEM OF HIGHER EDUCATION
COMBINING STATEMENTS OF NET POSITION (in $1,000's)
AS OF JUNE 30, 2023

	UNLV	UNR	WNC	Eliminations	TOTAL
ASSETS					
Current Assets					
Cash and cash equivalents	$ 48,855	$ 36,900	$ 2,174	$ -	$ 165,180
Short-term investments	259,776	131,675	7,423	-	572,964
Accounts receivable, net	13,357	21,594	1,156	-	50,251
Receivable from U.S. Government	53,679	47,516	786	-	121,674
Receivable from State of Nevada	4,586	4,947	276	-	14,228
Receivable from other institutions	-	-	-	(1,000)	224
Current portion of loans receivable, net	183	601	1	-	785
Due from System Related Organizations	2,452	921	-	-	3,373
Leases receivable	5,814	1,634	-	-	7,531
Leases receivable Due from Related Organizations	2,888	-	-	-	2,888
Inventories	1,427	4,219	-	-	6,560
Deposits and prepaid expenditures, current	5,167	7,355	221	-	17,029
Other current assets	1,735	4	-	-	1,810
Total Current Assets	399,919	257,366	12,037	(1,000)	964,497
Noncurrent Assets					
Due from System Related Organizations	-	-	-	-	7
Cash held by State Treasurer	-	-	18	-	515
Restricted cash and cash equivalents	7,047	-	-	-	8,611
Endowment investments	64,122	158,047	316	-	295,904
Deposits and prepaid expenditures	190	-	-	-	203
Loans receivable, net	1,902	2,303	1	-	4,206
Leases receivable, LT	59,782	5,930	-	-	65,712
Leases receivable due from Related Organizations, LT	15,437	-	-	-	15,437
Capital assets, net	1,133,064	1,064,880	21,564	-	2,813,941
Other noncurrent assets	75	-	-	-	75
Total Noncurrent Assets	1,281,619	1,231,160	21,899	-	3,204,611
TOTAL ASSETS	1,681,538	1,488,526	33,936	(1,000)	4,169,108
DEFERRED OUTFLOWS OF RESOURCES					
OPEB related	16,248	12,634	434	-	38,129
Loss on bond refunding	-	2,728	-	-	2,728
Pension related	92,284	92,760	6,211	-	266,269
TOTAL DEFERRED OUTFLOWS OF RESOURCES	108,532	108,122	6,645	-	307,126
The accompanying notes are an integral part of these financial statements.					
LIABILITIES					
Current Liabilities					
Accounts payable	18,928	20,899	306	-	48,272
Accrued payroll and related liabilities	39,924	29,764	1,193	-	101,696
Unemployment insurance and workers' compensation	1,402	1,450	92	-	3,682
Due to other institutions	9,732	6,959	271	(1,000)	1
Due to System Related Organizations	1,481	201	-	-	1,682
Current portion of compensated absences	17,369	12,767	546	-	41,981
Current portion of long-term debt	17,636	15,229	-	-	36,829
Current portion of leases payable	4,847	2,628	-	-	8,588
Current portion of subscriptions payable	4,417	2,688	-	-	14,207
Accrued interest payable	3,775	6,273	-	-	12,041
Unearned revenue	30,964	23,937	581	-	70,806
Deposits held for others	934	1,126	193	-	2,687
Other current liabilities	2,452	544	-	-	3,026
Total Current Liabilities	153,861	124,465	3,182	(1,000)	345,498
Noncurrent Liabilities					
Refundable advances under federal loan programs	2,224	1,170	-	-	3,394
Compensated absences	10,787	5,927	143	-	22,255
Long-term debt	205,821	343,027	-	-	670,660
Lease payable	33,630	7,203	-	-	44,408
Subscriptions payable	9,668	3,539	-	-	33,853
Net pension liability	169,033	180,246	12,157	-	501,370
Net OPEB Liability	249,257	193,807	6,663	-	584,918
Other noncurrent liabilities	-	-	-	-	623
Total Noncurrent Liabilities	680,420	734,919	18,963	-	1,861,481
TOTAL LIABILITIES	834,281	859,384	22,145	(1,000)	2,206,979
DEFERRED INFLOWS OF RESOURCES	-	-	-	-	
Service concession arrangements	1,531	-	-	-	1,531
Deferred inflows on leases	83,515	7,382	-	-	90,978
OPEB related	29,154	22,669	779	-	68,415
Gain on bond refunding	2,096	1,965	-	-	4,061
Pension related	38,263	43,745	2,944	-	119,205
TOTAL DEFERRED INFLOWS OF RESOURCES	154,559	75,761	3,723	-	284,190
NET POSITION					
Net investment in capital assets	854,948	686,385	21,721	-	1,977,893
Restricted - Nonexpendable	12,179	40,563	334	-	93,463
Restricted - Expendable - Scholarships, research and instruction	64,463	105,395	2,044	-	220,123
Restricted - Expendable - Loans	571	6,939	(1,955)	-	5,680
Restricted - Expendable - Capital projects	4,566	16,077	(443)	-	25,661
Restricted - Expendable - Debt service	14,075	10,578	-	-	43,024
Unrestricted	(149,572)	(204,434)	(6,988)	-	(380,779)
TOTAL NET POSITION	$ 801,230	$ 661,503	$ 14,713	$ -	$ 1,985,065

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

NEVADA SYSTEM OF HIGHER EDUCATION
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (in $1,000's)
AS OF JUNE 30, 2023

	CSN	DRI	GBC	NSC	SA	TMCC
Operating Revenues						
Student tuition and fees (net of scholarship allowance of $224,417)	$ 48,120	$ -	$ 6,809	$ 7,982	$ -	$ 17,112
Federal grants and contracts	8,849	27,425	2,360	8,211	16,967	6,605
State grants and contracts	4,690	741	1,029	1,589	-	2,804
Local grants and contracts	-	-	-	-	46	-
Other grants and contracts	144	10,873	1,629	71	206	502
Sales and services of educational departments (including $31,679 from System Related Organizations)	2,100	385	157	678	2,521	1,745
Sales and services of auxiliary enterprises (net of scholarship allowance of $9,756)	1,192	-	356	44	-	1,753
Interest earned on loans receivable	-	-	-	-	-	-
Other operating revenues	969	1,449	196	275	2,956	313
Total Operating Revenues	66,064	40,873	12,536	18,850	22,696	30,834
Operating Expenses						
Employee compensation and benefits	(136,445)	(36,990)	(20,287)	(42,903)	(33,361)	(50,481)
Utilities	(4,527)	(1,173)	(947)	(681)	(33)	(1,316)
Supplies and services	(50,652)	(10,513)	(6,115)	(12,546)	(4,161)	(13,332)
Scholarships and fellowships	(29,549)	(24)	(3,189)	-	(322)	(8,302)
Depreciation and amortization	(20,690)	(4,314)	(2,388)	(4,839)	(6,773)	(4,731)
Total Operating Expenses	(241,863)	(53,014)	(32,926)	(60,969)	(44,650)	(78,162)
Operating Income (Loss)	(175,799)	(12,141)	(20,390)	(42,119)	(21,954)	(47,328)
Nonoperating Revenues (Expenses)						
State appropriations	107,310	7,590	14,768	26,175	22,067	36,838
Gifts (including $60,118 from System Related Organizations)	1,379	739	588	1,166	-	1,025
Investment income (loss), net	8,559	5,126	972	1,961	2,245	4,658
Gain (loss) on disposal of capital assets	27	(63)	-	-	(8)	(84)
Interest expense	(2,476)	(54)	(13)	(2,148)	(470)	(559)
Interest revenue	-	-	-	-	-	1
Payments to System campuses and divisions	(7,528)	(2,861)	(985)	(1,839)	62,532	(3,857)
Other nonoperating revenues	2,014	-	(295)	1,153	120	-
Federal grants and contracts	44,218	443	4,172	9,886	1,178	7,535
Total Nonoperating Revenues	153,503	10,920	19,207	36,354	87,664	45,557
Loss Before Other Revenue (Expenses)	(22,296)	(1,221)	(1,183)	(5,765)	65,710	(1,771)
Other Revenues (Expenses)						
State appropriations restricted for capital purposes	361	81	1,342	10	-	241
Capital grants and gifts (including $16,916 from System Related Organizations)	-	143	2,106	13	-	3,219
Return of Capital Gifts	-	-	-	-	-	-
Additions (Deductions) to permanent endowments (including $424 to System Related Organizations)	123	73	-	-	8	238
Total Other Revenues	484	297	3,448	23	8	3,698
Increase (Decrease) in Net Position	(21,812)	(924)	2,265	(5,742)	65,718	1,927
NET POSITION						
Net position - beginning of year - as originally reported	205,492	90,495	33,543	70,981	(14,207)	79,883
Restatement for effect of change in reporting entity	-	-	-	-	-	-
Net position - beginning of year - as restated	205,492	90,495	33,543	70,981	(14,207)	79,883
Net position - end of year	$ 183,680	$ 89,571	$ 35,808	$ 65,239	$ 51,511	$ 81,810

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

NEVADA SYSTEM OF HIGHER EDUCATION
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (in $1,000's) (CONTINUED)
AS OF JUNE 30, 2023

	UNLV	UNR	WNC	Eliminations	TOTAL
Operating Revenues					
Student tuition and fees (net of scholarship allowance of $224,417)	$222,479	$153,064	$ 5,565	$ (102)	$ 461,029
Federal grants and contracts	74,992	153,756	2,665	(7,288)	294,542
State grants and contracts	24,506	17,872	503	(109)	53,625
Local grants and contracts	472	2,712	-	(3)	3,227
Other grants and contracts	4,284	26,410	160	(545)	43,734
Sales and services of educational departments (including $31,679 from System Related Organizations)	93,281	76,676	225	(3,874)	173,894
Sales and services of auxiliary enterprises (net of scholarship allowance of $9,756)	44,905	42,035	759	(37)	91,007
Interest earned on loans receivable	13	74	-	-	87
Other operating revenues	4,406	6,980	276	(5,870)	11,950
Total Operating Revenues	469,338	479,579	10,153	(17,828)	1,133,095
Operating Expenses					
Employee compensation and benefits	(592,230)	(459,208)	(20,255)	-	(1,392,160)
Utilities	(17,409)	(15,104)	(732)	-	(41,922)
Supplies and services	(176,991)	(206,294)	(6,757)	17,804	(469,557)
Scholarships and fellowships	(35,270)	(25,194)	(2,785)	490	(104,145)
Depreciation and amortization	(58,243)	(50,187)	(1,521)	-	(153,686)
Total Operating Expenses	(880,143)	(755,987)	(32,050)	18,294	(2,161,470)
Operating Income (Loss)	(410,805)	(276,408)	(21,897)	466	(1,028,375)
Nonoperating Revenues (Expenses)					
State appropriations	237,707	181,414	14,080	-	647,949
Gifts (including $60,118 from System Related Organizations)	27,229	28,912	1,029	(83)	61,984
Investment income (loss), net	36,388	22,886	1,618	(323)	84,090
Gain (loss) on disposal of capital assets	(988)	3,346	(1)	-	2,229
Interest expense	(8,483)	(12,722)	-	-	(26,925)
Interest revenue	1,102	154	-	-	1,257
Payments to System campuses and divisions	(31,135)	(68,076)	(955)	-	(54,704)
Other nonoperating revenues	5,579	1,246	531	(60)	10,288
Federal grants and contracts	91,003	37,970	4,707	-	201,112
Total Nonoperating Revenues	358,402	195,130	21,009	(466)	927,280
Loss Before Other Revenue (Expenses)	(52,403)	(81,278)	(888)	-	(101,095)
Other Revenues (Expenses)					
State appropriations restricted for capital purposes	12,060	5,246	97	-	19,438
Capital grants and gifts (including $16,916 from System Related Organizations)	7,017	7,566	104	-	20,168
Return of Capital Gifts	(2)	-	-	-	(2)
Additions (Deductions) to permanent endowments (including $424 to System Related Organizations)	5	100	-	-	547
Total Other Revenues	19,080	12,912	201	-	40,151
Increase (Decrease) in Net Position	(33,323)	(68,366)	(687)	-	(60,944)
NET POSITION					
Net position - beginning of year - as originally reported	834,553	721,399	15,400	-	2,037,539
Restatement for effect of change in reporting entity	-	8,470	-	-	8,470
Net position - beginning of year - as restated	834,553	729,869	15,400	-	2,046,009
Net position - end of year	$801,230	$661,503	$ 14,713	$ -	$1,985,065

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

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

Board of Regents
Nevada System of Higher Education

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities and the aggregate discretely presented component units of Nevada System of Higher Education(the "Entity"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Entity's basic financial statements, and have issued our report thereon dated May 28, 2024.

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

The financial statements of Great Basin College Foundation; University of Nevada, Las Vegas Rebel Soccer Foundation; and Nevada State College Foundation were not audited in accordance with *Government Auditing Standards* for the year ended June 30, 2023.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a significant deficiency in the Entity's internal control.

Report on compliance and other matters

As part of obtaining reasonable assurance about whether the Entity's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Entity's response to findings

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

Purpose of this report

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

Grant Thornton LLP

San Jose, California
May 28, 2024