

The background of the cover is a photograph of the Nevada State Capitol building. The building is a large, multi-story structure with a prominent central dome and classical architectural features like columns and arched windows. In the foreground, there are trees with autumn-colored leaves (brown and orange) on the left and right sides. A black flagpole stands on the left, flying the American flag and the Nevada state flag. The sky is a clear, pale blue.

# State of Nevada

## Annual Comprehensive Financial Report

For the Fiscal Year Ended  
June 30, 2021

State Controller  
Catherine Bryne, CPA



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**STATE OF NEVADA**

**Annual**

**Comprehensive**

**Financial**

**Report**

**for the Fiscal Year**  
**Ended June 30, 2021**

**Catherine E. Byrne, CPA**  
**State Controller**





# **Catherine Byrne, CPA**

## **Nevada State Controller**

Catherine has worked her entire career in accounting, tax and audit work for a variety of public and private companies, not-for-profit and government entities. She is an expert in governmental accounting and financial reporting.

While working and raising a family, Catherine persevered to complete her education, and in 1997 she graduated from California Lutheran University, earning a Bachelor of Science in Accounting. She gained experience with audits of public companies and earned her California CPA license in 2000. She is experienced in human resource management, payroll and accounts payable; debt collection and accounts receivable; federal grants and contracts accounting; major systems implementations and financial reporting using standards established by Governmental Accounting Standards Board (GASB). She is currently licensed in California and Nevada.

In 2012, she started working for the Nevada State Controller's Office in the financial reporting section which prepares the State's Annual Comprehensive Financial Report (ACFR). In her position, she was responsible for monitoring the financial transactions of several large agencies in the State.

She is a member of the Association of Government Accountants (AGA), the Government Finance Officers Association (GFOA), the National Association of State Comptrollers (NASC), and Nevada Society of CPAs. She is a 2017 graduate of Emerge Nevada.

Catherine was born in San Diego, California. Her father served in the United States Coast Guard and her mother was a retired nurse. After her father retired, the family settled in Oxnard, California where she lived for over 35 years. She moved to Nevada in 2011.

Catherine has one son who is serving in the United States Air Force. He is stationed in Washington D.C. In her spare time, you can find her enjoying the outdoors with her two dogs exploring Nevada's state parks.



# State of Nevada

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CATHERINE BYRNE, CPA  
*Controller*

STATE OF NEVADA

LORI HOOVER, CPA  
*Chief Deputy Controller*



OFFICE OF THE  
STATE CONTROLLER

June 23, 2022

To the Citizens, Governor and Legislators of the State of Nevada:

I am pleased to present the Annual Comprehensive Financial Report (ACFR), for the State of Nevada's fiscal year ended June 30, 2021, in accordance with Nevada Revised Statutes (NRS) 227.110 and the State Accounting Procedures Law (NRS 353.291 through 353.3245). The objective of this Report is to provide a clear picture of the government as a single, unified entity, in addition to traditional fund-based financial statements.

**Responsibility:** The Controller's Office prepares the State of Nevada ACFR and is responsible for the accuracy, completeness, and fairness of the presentation, including disclosures. To the best of our knowledge and belief, the information contained in the State of Nevada ACFR is accurate in all material respects and is reported in a manner that fairly presents the financial position and results of operations of the State's primary government and the component units for which it is financially accountable. Additionally, this report includes all disclosures necessary to enable the reader to gain a reasonable understanding of Nevada's financial activities.

**Accounting Principles Generally Accepted in the United States of America:** As required by State Accounting Procedures Law, this report has been prepared in accordance with generally accepted accounting principles (GAAP), applicable to State and Local Governments as established by the Governmental Accounting Standards Board (GASB). The State also voluntarily follows the recommendations of the Government Finance Officers Association (GFOA) for the contents of government financial reports and participates in the GFOA's review program for the Certificate of Achievement for Excellence in Financial Reporting.

**Internal Control Structure:** The State of Nevada has established a comprehensive internal control framework designed to both safeguard the government's assets against loss from unauthorized use or theft, and to properly record and adequately document transactions. As a result, the transactions can be compiled into the presentation of the State's financial statements in conformity with GAAP. Since the cost of internal controls should not outweigh their benefits, the State's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

Many of our essential control features are decentralized. Hence, the State relies upon the controls in place within its various departments and agencies. NRS 353A.025 requires the heads of agencies to review their internal controls on a periodic basis to determine if agencies are following the Uniform System of Internal

Accounting and Administrative Controls adopted pursuant to NRS 353A.020. On or prior to fiscal year end of even-numbered years, agencies are required to report the status of their internal controls to the Division of Internal Audit.

**Independent Auditors:** The independent accounting firm Eide Bailly LLP, in conjunction with other independent auditors, has audited the accompanying financial statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. The goal of the independent audit is to provide reasonable assurance that the financial statements of the State of Nevada are free of material misstatement. Eide Bailly LLP's report and the opinion on the fair presentation of the Basic Financial Statements are included in the Financial Section of this publication.

**Single Audit:** Federal regulations also require the State to undergo an annual Single Audit in conformity with the provisions of the Single Audit Amendments Act of 1996 and the United States Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements. Information related to the Single Audit, including the schedule of expenditures of federal awards, audit findings and recommendations, a summary of prior audit findings, and auditors' reports on internal controls and compliance with applicable laws and regulations will be issued in a separate report.

**Management's Discussion and Analysis:** GAAP requires management to provide a narrative introduction, over-view and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The State's audited MD&A can be found following the independent auditor's report.

### **Profile of Government**

**Background:** The Nevada Territory was created by Congress on March 2, 1861. On October 31, 1864, President Lincoln proclaimed Nevada's admission to the Union as the 36th state. The State's first elected Governor, Henry Blasdel, took office on December 5, 1864. Nevada is largely desert and semiarid within the Great Basin. Much of southern Nevada is in the Mojave Desert. Lake Tahoe and the Sierra Nevada ridge lie on the northwestern edge. Approximately 87 percent of Nevada's 110,572 square miles is federally owned. Federally owned property is used by Tribal Nations, the Department of Defense, Bureau of Land Management, forestry, and national park service. Nevada has sparsely populated open range and national forests. Population estimates are certified by the Governor each year, on July 1, 2021, the certified estimate is 3,158,539 of which 2,862,737, 90.7 percent, of residents live in one of two distinct urban population centers: The Reno/Sparks/Carson City area in the northwest part of the state has estimated population of 542,186, or 17.2 percent, and Clark County at the southeastern tip has estimated population of 2,320,551 or 73.5 percent. The Las Vegas Strip (The Strip) located in Clark County, provides significant portion of gaming, and tourism and hospitality revenues for the State.

In Nevada, there are 20 federally recognized tribes, comprised of 27 separate reservations, bands, colonies and community councils. Nevada is home to the Great Basin Tribes: Washoe, Northern Paiute, Southern Paiute and Western Shoshone. The tribal land in Nevada amounts to over 1.16 million acres. Tribal Nations are sovereign governments, and the people have dual citizenship, Tribal citizenship and, in the state of Nevada, as citizens of the State of Nevada.

**Structure:** As shown in the Organizational Chart the State government is divided into three separate



branches: legislative, executive, and judicial. The State operates under a constitution which can be amended only by the vote of the State's citizens, Legislature or by citizen initiatives. The government provides a full range of services for its citizens including education, health and social services, highway construction and maintenance, law enforcement, public safety, business regulation, and resource development. The State also provides significant financial support to its higher education institutions, local governments, and school districts to help meet the specific needs of their constituents.

**Reporting Entity:** The State of Nevada, as the reporting entity, conforms to the requirements of GASB Statement No. 14 and No. 34 as amended by GASB Statement No. 61. The accounting and reporting principles reflected in these statements are based primarily upon the fundamental concept that publicly elected officials are accountable to their constituents, and to distinguish between the primary government and its component units. The State's legally separate component units include the Nevada System of Higher Education, Colorado River Commission, and Nevada Capital Investment Corporation. In addition, the Nevada Real Property Corporation is reported as a blended component unit. The State also includes the presentation of its trust and custodial funds. The State Legislature sets statutorily the parameters within which all these entities operate. Additional information on discretely presented component units can be found in Note 1 to the financial statements.

**Budget Process and Control:** State law (NRS 353.205) requires a balanced budget. The Governor must submit his proposed budget for the Executive Branch to the State Legislature not later than 14 calendar days before each regular session, which convenes every odd-numbered year. The Governor's recommended budget spans the next two fiscal years and contains the detailed budgetary estimates of revenues and expenditures. The Legislature enacts the budget through passage of the General Appropriations Act and the Authorized Expenditures Act. Once passed and signed, the budget becomes the State's financial plan for the next two fiscal years. Under certain circumstances, budgetary revisions may be made without Legislative action. Unencumbered expenditures lapse at the end of each fiscal year unless specific authority to carry forward is granted in the Expenditures Act. Unexpended appropriations lapse at year end and are carried forward for expenditure in the next fiscal period unless specific authority to carry forward is granted under the Appropriations Act. During the 81<sup>st</sup> Legislative Session, legislatures passed the fiscal years 2021-2022 and 2022-2023 biennium budgets. Senate Bill 459 authorizes expenditures for fiscal year 2021-2022, and fiscal year 2022-2023. Additionally, during the 81<sup>st</sup> Legislative Session Assembly Bill 494 authorizes appropriations from the State General Fund and the State Highway Fund for the support of the civil government of the State of Nevada for the 2021-2023 biennium.

### **Financial Planning and Policies Information**

**Debt Management:** Section 3, Article 9, of the State Constitution limits the aggregate principal amount of the State's general obligation bonds debt to 2 percent of the total reported assessed property value of the State. Under certain circumstances, general obligation bonds are exempt from Constitutional Debt Limitation. Special obligation highway revenue bonds provide funds for highway construction projects. Special obligation housing bonds provide for housing loans or to purchase mortgage loans. Special obligation bonds are paid from gross pledged revenues and are not paid from general obligations of the State. Additional disclosures regarding the State's long-term obligations are provided in the notes to the basic financial statements.

**Economic Forum:** In accordance with State law, The Economic Forum, comprised of private economic and financial experts appointed by the Legislature and the Governor, sets the General Fund revenue forecasts which are binding on the budget. If revenues fall below those originally anticipated during the fiscal year, the Governor must revise the budget to ensure that State appropriations do not exceed revenues. If the revisions exceed thresholds specified in NRS 353.220, they must be submitted to the Legislative Interim

Finance Committee for approval.

**Budget Stabilization:** NRS 353.288 provides for the Account to Stabilize the Operation of the State Government (Rainy-Day Fund). Nevada uses several economic indicators to trigger additions and expenditures within the Rainy-Day Fund. The account is classified as committed for fiscal emergency in the General Fund balance sheet.

**Federal Funding:** Grants and entitlements provide a substantial portion of the State's revenues. Continued funding is subject to changes in federal regulation. Nevada depends heavily on federal funding, in the form of grants and contracts, for government services such as education, Medicaid, school lunches and transportation.

### **Information Useful in Assessing Nevada's Economic Condition**

**Nevada Economy:** Nevada does not assess personal income tax to the residents. Nevada has offered a continuous legal market for gaming since 1935, which imposes taxes to finance a share of public services. Historically, Nevada relied heavily on the gaming and mining industries. Nevada had worked to diversify the economy by expanding beyond the gaming industry, mining industry, and tourism and hospitality. Today, government services are funded by several revenue sources to include gaming taxes, sales taxes, motor vehicle taxes and a variety of direct and indirect taxes on businesses. Nevada is substantially funded by federal grants and contracts.

The major industries in Nevada are tourism and hospitality, gambling, mining, science and technology services, health and social services, construction, and retail trade. Job growth, taxable sales, unemployment rate, and gaming win are indicators used to assess the health of Nevada's economy. Other economic indicators used include Las Vegas and Reno visitor volume and room occupancy rates.

### **Economic Outlook and Condition**

Nevada's economy is expected to continue to recover over the next year even though new and existing variants of the coronavirus leave us cautiously optimistic. Nevada's labor force is slow to recover as the population's unemployed in the tourism and hospitality industry has yet to return to levels prior to the pandemic. We believe this is a short-term condition that will improve as the pandemic continues to subside. Economic growth in Nevada has a positive outlook and forecasts show that we will continue to recover from the effects of the COVID-19 pandemic through 2022. From the onset of COVID-19 pandemic, Nevada has, and is expected to receive in total, \$44 billion in federal aid through 2026 for the recovery from the economic damage caused by the virus.

General Fund forecast for 2022 and 2023 fiscal years, approved at the May 4, 2021, economic forum, is \$4.43 billion and \$4.72 billion, respectively. This is a 4.2 percent and 6.6 percent increase over the previous year forecasted general fund revenues.

**Employment and Job Growth:** Total Nevadans employed at the end of April 2020 was 1.02 million and 477 thousand fewer than at the end of February 2020. By June 30, 2021, the estimated workforce was 1.40 million and unemployment rate fell to 7.8 percent while the U.S. rate was 5.9 percent. By April 2022 total employment rose to 1.45 million and our unemployment rate fell to 5 percent. Total statewide employment continues to reach pre-pandemic levels. Currently, it appears the U.S. job market has more jobs openings than available workers to fill them.

**Gaming Win Revenue and Percentage Fee collections:** Gaming activity bounced back significantly in 2021. Gaming win revenue reported during fiscal year 2021 is \$10.7 billion, compared to \$9.3 billion in 2020, representing a 14.3 percent increase. Percentage fee collections increased substantially in 2021 as

well. During fiscal year 2021 collections are \$808.6 million compared to \$472.4 million in 2020, representing 71.1 percent increase. Fiscal year 2022 is expected to continue an upward trend with gaming wins through April 2022 of \$12.1 billion this equates to 46.3 percent increase for the same period last year.

**Taxable sales:** Fiscal Year 2021 taxable sales were \$67.7 billion, an increase of \$6.3 billion, or 10.3 percent over 2020 taxable sales of \$61.4 billion.

**Visitor Volume:** This is a major economic indicator for Nevada as a substantial amount of our revenues are affected by visitor volume. In calendar year 2020 Nevada experienced a historic visitor volume drop due to the pandemic. The 2019 visitor volume of 56 million fell to 28 million visitors in 2020, a 50 percent decrease. In calendar year 2021, visitor volume increase to 43 million, still far below pre-pandemic levels.

### **Major Initiatives**

**Taxes:** During the 81<sup>st</sup> Legislative Session lawmakers approved measures to increase taxes for mining companies. This will effectively double the amount of taxes levied on silver and gold mines. The tax will levy an excise tax of .75 percent on mines reporting gross revenue of \$20 million to \$150 million and 1.1 percent for mines that report gross revenue over \$150 million.

**Health and Human Services:** During the 81<sup>st</sup> Legislative Session the Nevada Legislature signed into law a public option for healthcare coverage for all Nevadans. The new law will create state-mandated health insurance plans by 2026. Legislatures hope to expand coverage for the state's 350 thousand uninsured residents.

### **Acknowledgments**

**Acknowledgments and Conclusion:** This report would not have been possible without the hard work, dedication and professionalism of my staff and the cooperation and assistance from all State agencies, Executive, Legislature, Judiciary and the System of Higher Education. I sincerely appreciate the efforts of all the individuals involved, especially the Controller's Office staff, Governor's Office of Finance, Department of Taxation, the Department of Employment, Training and Rehabilitation, and the Department of Transportation. We are committed to advancing accountability, efficiency, and good governance in the State's financial operations.

*Catherine E. Byrne*

Catherine E. Byrne, CPA  
Nevada State Controller



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# State of Nevada

## Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021

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### CONSTITUTIONAL OFFICERS OF THE STATE OF NEVADA

Steve Sisolak.....Governor  
Lisa Cano Burkhead.....Lieutenant Governor  
Barbara K. Cegavske.....Secretary of State  
Zach Conine.....State Treasurer  
Catherine Byrne.....State Controller  
Aaron Ford.....Attorney General

### ACKNOWLEDGMENTS

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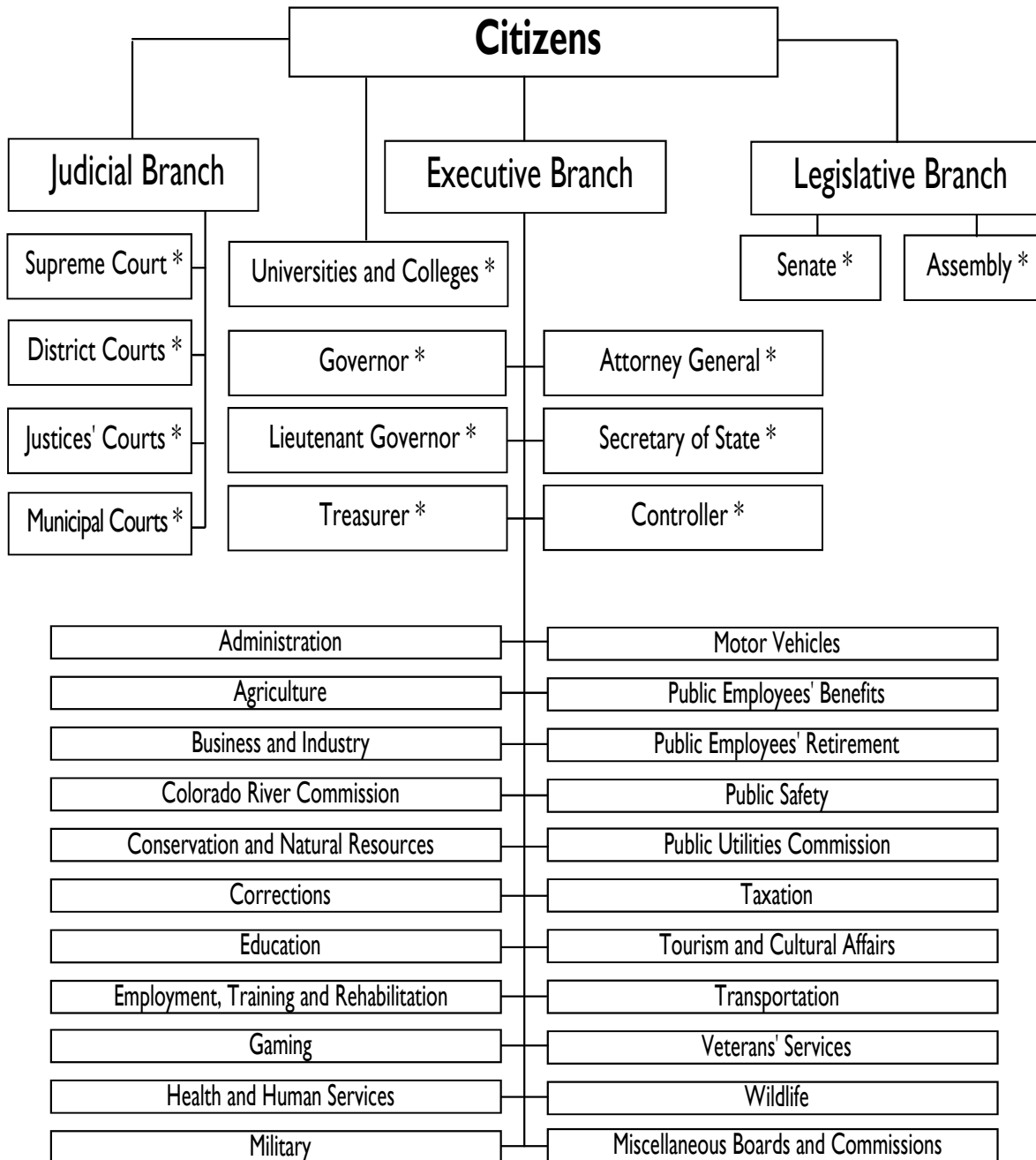
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Office of the Nevada State Controller  
101 North Carson Street, Suite 5  
Carson City, NV 89701-4786

Or on our website at: [controller.nv.gov](http://controller.nv.gov)

# ORGANIZATIONAL CHART



\* Elected Officials



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# **FINANCIAL SECTION**



## Independent Auditor's Report

The Honorable Catherine Byrne, CPA  
State Controller  
Carson City, Nevada

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nevada, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the State of Nevada's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the following:

- the financial statements of the Nevada System of Higher Education, a discretely presented component unit, except for the correction of an error discussed in Note 19 to the financial statements, which we have audited. The financial statements of the Nevada system of Higher Education represent 97.69 percent of assets and deferred outflows of resources, 99.53 percent of net position, and 98.25 percent of revenues of the discretely presented component units;
- the financial statements of the Colorado River Commission, a discretely presented component unit, which represent 1.76 percent of assets and deferred outflows of resources, less than one percent of net position, and 1.58 percent of revenues of the discretely presented component units;
- the financial statements of the Pension Trust Funds and the Other Employee Benefit Trust Funds, which in the aggregate, represent 57.98 percent of the assets and deferred outflows of resources, 58.54 percent of the net position and 43.37 percent of the revenues of the aggregate remaining fund information;

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- the financial statements of the Retirement Benefits Investment Fund – Investment Trust Fund, which represent less than one percent of the assets and deferred outflows of resources, net position and revenues of the aggregate remaining fund information.
- the financial statements of the Vanguard, SSGA, USAA, and Putnam Nevada College Savings Plans, a part of the Nevada College Savings Plan Private Purpose Trust Fund, which represent 36.07 percent of the assets and deferred outflows of resources, 36.99 percent of the net position and 29.55 percent of the revenues of the aggregate remaining fund information;
- the financial statements of the Self Insurance, Insurance Premiums, and Printing Internal Service Funds which, in the aggregate, represent less than one percent of the assets and deferred outflows of resources and the net position, and 1.16 percent of the revenues of the aggregate remaining fund information;
- the financial statements of the Legislative and Contingency internally designated funds, which are a part of the general fund, which in the aggregate, represent 1.01 percent of the assets and deferred outflows of resources, 4.48 percent of fund balance, and less than one percent of the revenues of the general fund.

Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the above-mentioned funds and entities, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Pension Trust Funds, the Insurance Premiums Internal Service Fund and the Retirement Benefits Investment Fund were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### **Basis for Qualified Opinion on the Government-Wide Governmental Activities, General and Highway Funds – Inventory**

We were unable to obtain sufficient appropriate audit evidence on the State's government-wide governmental activities inventory as it relates to the general fund's beginning of the year donated personal protective equipment inventory nor the highway fund beginning or ending stockpile inventory.

As a result, we were unable to determine whether additional adjustments were necessary on the State's governmental activities inventory and beginning net position as it relates to the general fund beginning of the year donated personal protective equipment inventory nor the highway fund beginning or ending stockpile inventory.

#### **Qualified Opinion on the Government-Wide Governmental Activities, General and Highway Funds – Inventory**

In our opinion, based on our audit and the reports of other auditors, except for the possible effects of the matter discussed in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nevada, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

#### **Unmodified Opinions**

In our opinion, based on our audit and reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component units, each major fund other than the general fund and the highway fund, and the aggregate remaining fund information of the State of Nevada, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

#### **Correction of Errors**

As discussed in Note 19 to the financial statements, the State of Nevada corrected errors related to Medicaid expenditures, payables, and reimbursements. In addition, the State of Nevada corrected errors related to amounts due to component units, due from the primary government, and amounts related to unemployment benefit receivables. These errors resulted in a restatement of fund balance or net position as of July 1, 2020. Our opinions are not modified with respect to these matters.

#### **Other Matters**

##### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 15, the budgetary comparison information, the notes to required supplementary information-budgetary reporting, the pension plan information, the postemployment benefits other than pensions (OPEB) information, and the schedule of infrastructure condition and maintenance data, collectively presented on pages 102 through 110, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with

management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Nevada's basic financial statements. The introductory section, combining statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2022, on our consideration of the State of Nevada's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of Nevada's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Nevada's internal control over financial reporting and compliance.



Reno, Nevada  
June 10, 2022



## MANAGEMENT'S DISCUSSION AND ANALYSIS

State of Nevada management provides this discussion and analysis of the State of Nevada's Annual Comprehensive Financial Report (ACFR) for readers of the State's financial statements. This narrative overview and analysis of the financial activities of the State of Nevada is for the fiscal year ended June 30, 2021. Readers should consider this information in conjunction with the additional information furnished in the letter of transmittal.

### HIGHLIGHTS

#### Government-wide:

- Total assets and deferred outflows of resources of the State exceeded liabilities and deferred inflows of resources by \$10.8 billion (reported as net position). Of this amount, \$9.9 billion is net investment in capital assets and \$2.1 billion is restricted for specific uses, neither of which are available to meet the State's general obligations, and a negative \$1.2 billion is reported as an unrestricted deficit, which indicates that no funds are available for discretionary purposes.
- The State's total net position decreased by \$103.2 million, or 1.0%, over the prior year, after restatement. Net position of governmental activities increased by \$795.1 million, or 8.9%, after restatement. Net position of business-type activities decreased by \$898.4 million, or 46.7%, after restatement. Beginning net position of governmental activities was restated for a \$7.5 million decrease in premium revenue in the Self-insurance Fund; a net decrease of \$264.9 million in the General Fund due to an increase in Medicaid incurred but not reported (IBNR) claims expenditures of \$96.0 million, an increase in Medicaid IBNR related federal reimbursement of \$83.8 million, and an increase of Medicaid expenditures of \$252.7 million; and an increase of \$42.0 million in the CIP University System fund due to reclassifying due to component unit to fund balance. Beginning net position of business-type activities was restated for a decrease of \$65.5 million for emergency compensation revenue from the Federal Government.

#### Fund-level:

- The State's governmental funds reported combined ending fund balances of \$3.0 billion, an increase of \$649.9 million from the prior year, after restatement. Of the ending fund balance, \$593.7 million is nonspendable, \$706.0 million is restricted, \$1.6 billion is committed, \$13.8 million is assigned, and \$91.8 million is unassigned.
- The State's enterprise funds reported combined ending net position of \$1.0 billion, a decrease of \$898.0 million from the prior year, after restatement. Of the ending net position, \$5.1 million is net investment in capital assets, \$933.0 million is restricted, and \$87.7 million is unrestricted.

#### Capital Assets and Long-term Debt:

- The State's capital assets, net of depreciation, increased by \$259.7 million or 2.4%.
- The State's total bonds payable and certificates of participation payable decreased by \$5.4 million or 0.2%.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to the State of Nevada's basic financial statements which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The Annual Comprehensive Financial Report also contains other supplementary information in addition to the basic financial statements.

#### Government-wide Financial Statements:

The *government-wide financial statements* are designed to provide readers with a broad overview of the State of Nevada's finances in a manner similar to the private sector. They take into account all revenues and expenses connected with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The *statement of net position* presents all of the State's assets, liabilities, and deferred outflows/inflows of resources with the difference being reported as "net position." The statement combines and consolidates all of the State's current financial resources with capital assets and long-term obligations. Over time, increases and decreases in net position measure whether the State's financial position is

improving or deteriorating.

The *statement of activities* presents information showing how the State's net position changed during the most recent fiscal year. The statement reveals how much it costs the State to provide its various services, and whether the services cover their own costs through user fees, charges, grants, or are financed with taxes and other general revenues. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of cash flows. Therefore, some revenue and expenses reported in this statement will not result in cash flows until future fiscal periods (e.g., uncollected taxes earned and unused leave).

Both government-wide statements above report three types of activities:

*Governmental Activities* - Taxes and intergovernmental revenues primarily support these activities. Most services normally associated with State government fall into this category, including general government, health and social services, education, law, justice and public safety, regulation of business, transportation, recreation and resource development, interest on long-term debt and unallocated depreciation.

*Business-type Activities* - These activities are intended to recover all, or a significant portion, of the costs of the activities by charging fees to customers. The Housing Division and Unemployment Compensation are examples of the State's business-type activities.

*Discretely Presented Component Units* - Discrete component units are legally separate organizations for which their relationship with the primary government meets selected criteria. The State has three discretely presented component units - the Nevada System of Higher Education, the Colorado River Commission and the Nevada Capital Investment Corporation. Complete financial statements of the individual component units can be obtained from their respective administrative offices.

### **Fund Financial Statements:**

A fund is an accounting entity consisting of a set of self-balancing accounts to track funding sources and spending for a particular purpose. The State's funds are broken down into three types:

*Governmental funds* - Most of the State's basic services are reported in governmental funds. These funds focus on short-term outflows and inflows of expendable resources as well as balances left at the end of the fiscal year available to finance future activities. These funds are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting.

The governmental fund financial statements focus on major funds and provide additional information that is not provided in the government-wide financial statements. It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. A reconciliation is provided between the governmental fund statements and the governmental activities in the government-wide financial statements.

*Proprietary funds* - When the State charges customers for the services it provides, whether to outside customers (enterprise funds) or to other State agencies (internal service funds), the services are generally reported in the proprietary funds. Proprietary funds apply the accrual basis of accounting utilized by private sector businesses, and there is a reconciliation between the government-wide financial statement business-type activities and the enterprise fund financial statements. Because internal service fund operations primarily benefit governmental funds, they are included with the governmental activities in the government-wide financial statements.

*Fiduciary funds* - These funds are used to account for resources held for the benefit of parties outside the state government. For instance, the State acts as a trustee or fiduciary for its employee pension plans, and it is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. Fiduciary funds are reported using the accrual basis of accounting. The government-wide statements exclude fiduciary fund activities and balances because these assets are restricted in purpose and do not represent discretionary assets of the State to finance its operations.

### **Notes to the Financial Statements:**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in both the government-wide and fund financial statements.

### **Required Supplementary Information:**

The required supplementary information includes budgetary comparison schedules for the General Fund and major special revenue funds, along with notes and a reconciliation of the statutory and U.S. generally accepted accounting principles (GAAP) fund balances at fiscal year-end. This section also includes a schedule of pension plan information, a schedule of postemployment benefits other than pensions (OPEB) information and a schedule of infrastructure condition and maintenance data.

## Other Supplementary Information:

Other supplementary information includes combining financial statements for non-major governmental, non-major enterprise, all internal service and all fiduciary funds. The non-major funds are added together, by fund type, and presented in single columns in the basic financial statements. Other supplementary information contains budgetary schedules of total uses for the General Fund and special revenue fund budgets, as well as a schedule of sources for non-major special revenue fund budgets.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The State's overall financial position and operations for the fiscal years ended June 30, 2021 and 2020, for the primary government are summarized in the following statements based on the information included in the government-wide financial statements.

### State of Nevada's Net Position-Primary Government (expressed in thousands)

	Governmental Activities		Business-type Activities		Total		Total Change
	2021	2020	2021	2020	2021	2020	2021-2020
<b>Assets</b>							
Current and other assets	\$ 9,900,637	\$ 5,899,978	\$ 3,003,842	\$ 4,345,062	\$ 12,904,479	\$ 10,245,040	\$ 2,659,439
Net capital assets	11,299,099	11,038,620	12,230	13,036	11,311,329	11,051,656	259,673
<b>Total assets</b>	<b>21,199,736</b>	<b>16,938,598</b>	<b>3,016,072</b>	<b>4,358,098</b>	<b>24,215,808</b>	<b>21,296,696</b>	<b>2,919,112</b>
<b>Deferred outflows of resources</b>	<b>507,441</b>	<b>505,302</b>	<b>8,891</b>	<b>8,695</b>	<b>516,332</b>	<b>513,997</b>	<b>2,335</b>
<b>Liabilities</b>							
Other liabilities	6,149,927	2,802,463	805,012	1,210,547	6,954,939	4,013,010	2,941,929
Non-current liabilities	5,613,102	5,436,690	1,190,333	1,227,133	6,803,435	6,663,823	139,612
<b>Total liabilities</b>	<b>11,763,029</b>	<b>8,239,153</b>	<b>1,995,345</b>	<b>2,437,680</b>	<b>13,758,374</b>	<b>10,676,833</b>	<b>3,081,541</b>
<b>Deferred inflows of resources</b>	<b>213,492</b>	<b>269,229</b>	<b>3,824</b>	<b>4,949</b>	<b>217,316</b>	<b>274,178</b>	<b>(56,862)</b>
<b>Net position</b>							
Net investment in capital assets	9,846,410	9,581,627	5,130	5,627	9,851,540	9,587,254	264,286
Restricted	1,212,473	1,309,935	932,984	1,858,847	2,145,457	3,168,782	(1,023,325)
Unrestricted (deficit)	(1,328,227)	(1,956,044)	87,680	59,690	(1,240,547)	(1,896,354)	655,807
<b>Total net position</b>	<b>\$ 9,730,656</b>	<b>\$ 8,935,518</b>	<b>\$ 1,025,794</b>	<b>\$ 1,924,164</b>	<b>\$ 10,756,450</b>	<b>\$ 10,859,682</b>	<b>\$ (103,232)</b>

## Net Position:

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The State reported net position of \$10.8 billion at the end of 2021, compared with \$10.9 billion at the end of the previous year.

The largest portion of the State's net position (\$9.9 billion) reflects its investment in capital assets such as land, buildings, improvements other than buildings, equipment, software costs, construction in progress, infrastructure and rights-of-way, less any related debt still outstanding that was used to acquire those assets. The State uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the State's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the State's net position (\$2.1 billion) represents resources that are subject to external restrictions on how they may be used. At the close of the fiscal year, the State reported an unrestricted net position deficit of \$1.2 billion as compared to a \$1.9 billion deficit in the prior year. The governmental activities and business-type activities components of the unrestricted net position deficit are discussed below.

The unrestricted net position deficit in governmental activities decreased by \$627.8 million; from a deficit of \$2.0 billion to a deficit of \$1.3 billion. Changes in governmental activities were a result of several factors, including an increase in the unrestricted fund balance of the General Fund and other governmental funds of \$637.9 million and \$15.3 million, respectively, after restatement, and an increase of \$35.0 million in deferred inflows of resources for unrestricted and unavailable revenue recognized as revenue in the government-wide statement of activities. In business-type activities, the unrestricted net position increased by \$28.0 million from a net position of \$59.7 million to a net position of \$87.7 million. The increase is primarily due to an increase in the unrestricted net position of the Housing Division fund in the amount of \$27.1 million and a decrease in the unrestricted net position deficit of the Information Services Fund in the amount of \$4.7 million.

**Changes in State of Nevada's Net Position-Primary Government**  
(expressed in thousands)

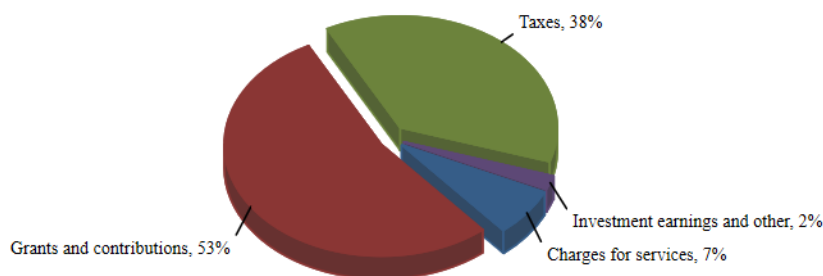
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>		<b>Total Change</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021-2020</b>
<b>Revenue</b>							
Program revenue							
Charges for services	\$ 954,364	\$ 898,813	\$ 147,300	\$ 142,867	\$ 1,101,664	\$ 1,041,680	\$ 59,984
Operating grants and contributions	7,380,203	5,592,299	5,493,887	3,952,488	12,874,090	9,544,787	3,329,303
Capital grants and contributions	7,317	27,732	-	-	7,317	27,732	(20,415)
General revenues:							
Gaming taxes	588,642	868,899	-	-	588,642	868,899	(280,257)
Sales and use taxes	1,666,373	1,502,046	-	-	1,666,373	1,502,046	164,327
Modified business taxes	591,148	666,232	-	-	591,148	666,232	(75,084)
Insurance premium taxes	488,161	450,749	-	-	488,161	450,749	37,412
Lodging taxes	94,223	157,099	-	-	94,223	157,099	(62,876)
Cigarette taxes	152,702	156,695	-	-	152,702	156,695	(3,993)
Commerce taxes	225,944	206,609	-	-	225,944	206,609	19,335
Property and transfer taxes	346,408	294,656	-	-	346,408	294,656	51,752
Motor and special fuel taxes	332,713	315,659	-	-	332,713	315,659	17,054
Other taxes	753,326	606,474	611,252	677,006	1,364,578	1,283,480	81,098
Unrestricted investment earnings	265	45,763	-	-	265	45,763	(45,498)
Other general revenues	276,566	192,497	61	1	276,627	192,498	84,129
<b>Total revenue</b>	<b>13,858,355</b>	<b>11,982,222</b>	<b>6,252,500</b>	<b>4,772,362</b>	<b>20,110,855</b>	<b>16,754,584</b>	<b>3,356,271</b>
<b>Expenses</b>							
General government	646,811	262,522	-	-	646,811	262,522	384,289
Health services	4,771,672	4,275,154	-	-	4,771,672	4,275,154	496,518
Social services	2,406,499	1,886,634	-	-	2,406,499	1,886,634	519,865
Education - K-12 state support	1,701,099	1,803,605	-	-	1,701,099	1,803,605	(102,506)
Education - K-12 administrative	692,623	638,858	-	-	692,623	638,858	53,765
Education - higher education	566,306	696,982	-	-	566,306	696,982	(130,676)
Law, justice and public safety	757,496	865,199	-	-	757,496	865,199	(107,703)
Regulation of business	455,096	312,520	-	-	455,096	312,520	142,576
Transportation	625,214	553,452	-	-	625,214	553,452	71,762
Recreation and resource development	174,449	184,811	-	-	174,449	184,811	(10,362)
Interest on long-term debt	68,382	71,861	-	-	68,382	71,861	(3,479)
Unallocated depreciation	2,534	2,439	-	-	2,534	2,439	95
Unemployment insurance	-	-	6,928,085	5,474,096	6,928,085	5,474,096	1,453,989
Housing	-	-	34,856	35,647	34,856	35,647	(791)
Water loans	-	-	5,177	5,758	5,177	5,758	(581)
Workers' compensation and safety	-	-	48,031	42,469	48,031	42,469	5,562
Higher education tuition	-	-	17,734	11,167	17,734	11,167	6,567
Other	-	-	29,694	32,632	29,694	32,632	(2,938)
<b>Total expenses</b>	<b>12,868,181</b>	<b>11,554,037</b>	<b>7,063,577</b>	<b>5,601,769</b>	<b>19,931,758</b>	<b>17,155,806</b>	<b>2,775,952</b>
Change in net position before contributions to permanent funds, special items and transfers	990,174	428,185	(811,077)	(829,407)	179,097	(401,222)	580,319
Contributions to permanent funds	13,650	16,589	-	-	13,650	16,589	(2,939)
Transfers	21,798	17,929	(21,798)	(17,929)	-	-	-
<b>Change in net position</b>	<b>1,025,622</b>	<b>462,703</b>	<b>(832,875)</b>	<b>(847,336)</b>	<b>192,747</b>	<b>(384,633)</b>	<b>577,380</b>
Net position - beginning of year	8,935,518	8,466,018	1,924,164	2,773,390	10,859,682	11,239,408	(379,726)
Net position restatement	(230,484)	6,797	(65,495)	(1,890)	(295,979)	4,907	(300,886)
Net position - beginning of year (as restated)	8,705,034	8,472,815	1,858,669	2,771,500	10,563,703	11,244,315	(680,612)
<b>Net position - end of year</b>	<b>\$ 9,730,656</b>	<b>\$ 8,935,518</b>	<b>\$ 1,025,794</b>	<b>\$ 1,924,164</b>	<b>\$ 10,756,450</b>	<b>\$ 10,859,682</b>	<b>\$ (103,232)</b>

**Changes in Net Position:**

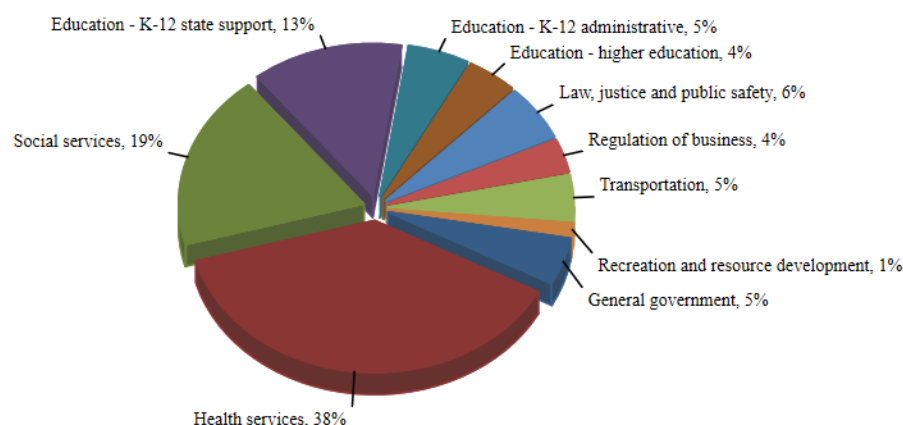
Total government-wide revenues increased by \$3.4 billion during the current year. The increase in revenues is a result of several factors, including increases of \$3.3 billion in federal funding, \$164.3 million in sales and use taxes, and \$60.0 million in charges for services.

*Governmental activities* – The current year net position increased by \$1.0 billion. Approximately 37.8% of the total revenue came from taxes, while 53.3% was in the form of grants and contributions (including federal aid). Charges for various goods and services provided 6.9% of the total revenues (see chart following). The State's governmental activities expenses cover a range of services and the largest expenses were 37.3% for health services, 18.8% for social services, and 13.3% for state support of K-12 education (see chart following). In 2021, governmental activities expenses exceeded program revenues, resulting in the use of \$4.5 billion in general revenues, which were generated to support the government.

The following chart depicts the governmental activities revenues for the fiscal year:



The following chart depicts the governmental activities expenses for the fiscal year:



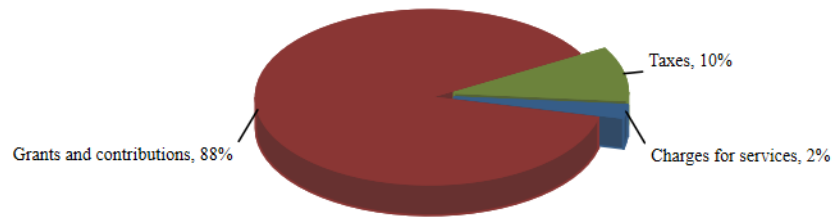
The following table depicts the total program revenues and expenses for each function of governmental activities:

**Revenues and Expenses by Function: Governmental Activities**  
(expressed in thousands)

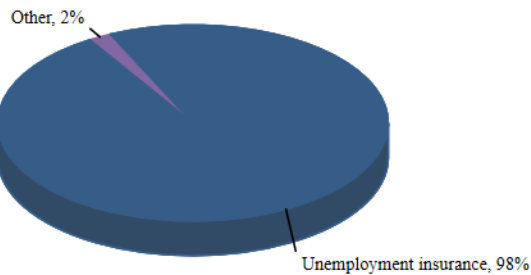
	Expenses	Revenues
General government	\$ 646,811	\$ 438,292
Health services	4,771,672	4,223,701
Social services	2,406,499	1,815,086
Education - K-12 state support	1,701,099	5,151
Education - K-12 administrative	692,623	522,076
Education - higher education	566,306	-
Law, justice and public safety	757,496	539,150
Regulation of business	455,096	368,511
Transportation	625,214	310,930
Recreation and resource development	174,449	118,986
<b>Total</b>	<b>\$ 12,797,265</b>	<b>\$ 8,341,883</b>

*Business-type activities* – The current year net position decreased by \$832.9 million. Approximately 9.8% of the total revenue came from taxes, while 87.9% was in the form of grants and contributions (including federal aid). Charges for various goods and services provided 2.4% of the total revenues (see chart following). The State's business-type activities expenses cover a range of services. The largest expenses were 98.1% for unemployment compensation (see chart following). In 2021, business-type activities expenses exceeded program revenues by \$1.4 billion. Of this amount, unemployment compensation was the largest, with net expenses of \$1.6 billion, resulting in the use of general revenues generated by and restricted to the Unemployment Compensation Fund.

The following chart depicts the business-type activities revenues for the fiscal year:



The following chart depicts the business-type activities expenses for the fiscal year:



The following table depicts the total program revenues and expenses for each function for business-type activities:

Revenues and Expenses by Function: Business-type Activities (expressed in thousands)		
	Expenses	Revenues
Unemployment insurance	\$ 6,928,085	\$ 5,374,493
Housing	34,856	45,143
Water loans	5,177	37,240
Workers' compensation and safety	48,031	56,506
Higher education tuition	17,734	94,223
Other	29,694	33,582
<b>Total</b>	<b>\$ 7,063,577</b>	<b>\$ 5,641,187</b>

The State's overall financial position improved over the past year. Current year operations resulted in a \$1.0 billion increase in the net position of the governmental activities and an \$832.9 million decrease in the net position of the business-type activities. Key economic indicators from the State's sales and other taxes show positive growth. Tax revenues for governmental activities increased in the current fiscal year by \$14.5 million, or 0.3%, compared to an increase of \$57.2 million, or 1.1%, in the prior fiscal year. Operating grants and contributions for governmental activities increased by \$1.8 billion, primarily due to grant revenues.

## FINANCIAL ANALYSIS OF THE STATE'S FUNDS

### Governmental Funds:

As of the end of the current fiscal year, the State's governmental funds reported combined ending fund balances of \$3.0 billion, an increase of \$650.0 million from the prior year. Of these total ending fund balances, \$593.7 million, or 20.0%, is nonspendable, either due to its form or legal constraints, and \$706.0 million, or 23.8%, is restricted for specific programs by external constraints, constitutional provisions, or contractual obligations. An additional \$1.6 billion, or 52.6%, of total fund balance has been committed to



specific purposes. Committed amounts cannot be used for any other purpose unless approved by the Legislature. NRS 353.288 provides for the Account to Stabilize the Operation of the State Government (Stabilization Account) in the State General Fund. Additions to the stabilization arrangement are triggered at the end of a fiscal year if the General Fund unrestricted fund balance (budgetary basis) exceeds 7% of General Fund operating appropriations. Forty percent of the excess is deposited to the Stabilization Account, and is classified on the balance sheet as committed for fiscal emergency. In addition, 1% of the total anticipated revenue for the fiscal year, as projected by the Economic Forum, is deposited to the Stabilization Account. Expenditures may occur if actual revenues for the biennium fall short by 5% or more from anticipated revenues, if the Legislature and Governor declare that a fiscal emergency exists, or if the Legislature allocates it to be used for any other purpose. The balance in the Stabilization Account committed for fiscal emergency at June 30, 2021, is \$393.4 million. An additional \$13.8 million, or 0.5%, of total fund balance is assigned. The remaining positive \$91.8 million, or 3.1%, of fund balance is unassigned. The major funds are discussed more fully below.

The *General Fund* is the chief operating fund of the State. At the end of the current fiscal year, the total General Fund fund balance was \$1.4 billion compared to \$804.8 million in the prior fiscal year. The fund balance increased by \$616.2 million, or 76.6%, over the previous year.

The following schedule presents a summary of revenues of the General Fund for the fiscal years ended June 30, 2021 and 2020 (expressed in thousands). Other financing sources are not included.

	General Fund Revenues (expressed in thousands)					
	2021		2020		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
Gaming taxes, fees, licenses	\$ 579,225	4.7 %	\$ 856,817	8.3 %	\$ (277,592)	(32.4)%
Sales taxes	1,671,351	13.6 %	1,493,718	14.5 %	177,633	11.9 %
Modified business taxes	597,144	4.9 %	642,603	6.2 %	(45,459)	(7.1)%
Insurance premium taxes	487,866	4.0 %	450,739	4.4 %	37,127	8.2 %
Lodging taxes	81,948	0.7 %	138,011	1.3 %	(56,063)	(40.6)%
Cigarette taxes	152,702	1.2 %	156,695	1.5 %	(3,993)	(2.5)%
Commerce taxes	221,958	1.8 %	204,984	2.0 %	16,974	8.3 %
Property and transfer taxes	136,951	1.1 %	103,065	1.0 %	33,886	32.9 %
Motor and special fuel taxes	2,216	0.0 %	2,190	0.0 %	26	1.2 %
Other taxes	641,357	5.2 %	431,521	4.2 %	209,836	48.6 %
Intergovernmental	7,102,604	57.9 %	5,273,127	51.2 %	1,829,477	34.7 %
Licenses, fees and permits	421,563	3.4 %	379,279	3.7 %	42,284	11.1 %
Sales and charges for services	62,789	0.5 %	67,688	0.7 %	(4,899)	(7.2)%
Interest and investment income	3,268	0.0 %	49,745	0.5 %	(46,477)	(93.4)%
Settlement income	14,277	0.1 %	1,390	0.0 %	12,887	927.1 %
Other	88,611	0.7 %	57,352	0.6 %	31,259	54.5 %
<b>Total revenues</b>	<b>\$ 12,265,830</b>	<b>100.0 %</b>	<b>\$ 10,308,924</b>	<b>100.0 %</b>	<b>\$ 1,956,906</b>	<b>19.0 %</b>

The total General Fund revenues increased by \$2.0 million, or 19.0%. The largest increases in revenue sources were \$1.8 billion, or 34.7%, in intergovernmental revenue, \$210.0 million, or 48.6%, in other taxes, and \$177.6 million, or 11.9%, in sales taxes. The intergovernmental revenue increased mainly due to increases in Title XIX Medicaid receipts and federal aid for food stamps, as well as the receipt of pandemic assistance from the funds related to the CARES Act and American Recovery Plan Act. Additionally, other tax revenue, including minerals tax and basic government services tax, increased during the fiscal year due to changes in State legislation requiring advance payments and higher portions returned to the General Fund. Sales taxes increased during the year due to a shift to taxable goods spending from service-based spending and the increased registration and compliance with the new Market Place Facilitators required by AB445 passed in the 2019 legislative session. The decreases in lodging taxes, commerce taxes, and gaming taxes, fees, and licenses are all primarily due to industry shutdowns due to the COVID-19 pandemic. The increase in settlement income is primarily due to the timing of legal cases and has normal fluctuations.

In addition, \$2.7 billion in COVID-19 relief funding from the CARES Act and American Recovery Plan Act was recorded as revenue in the General Fund. During the fiscal year, \$61.7 million of this funding was transferred to other funds for pandemic-related assistance. The largest of these transfers were to the State Highway Fund, the Employment Security Fund, the Self-Insurance Fund, and the Tourism Promotion Fund in the amounts of \$30.7 million, \$12.5 million, \$9.5 million, and \$4.7 million, respectively.

The following schedule presents a summary of expenditures by function of the General Fund for the fiscal years ended June 30, 2021 and 2020 (expressed in thousands). Other financing uses are not included.

General Fund Expenditures (expressed in thousands)						
	2021		2020		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
General government	\$ 420,907	3.6 %	\$ 198,363	1.9 %	\$ 222,544	112.2 %
Health services	4,800,217	41.5 %	4,269,152	41.1 %	531,065	12.4 %
Social services	2,246,302	19.4 %	1,774,593	17.1 %	471,709	26.6 %
Education - K-12 state support	1,701,099	14.7 %	1,803,605	17.4 %	(102,506)	(5.7)%
Education - K-12 administrative	681,183	5.9 %	633,393	6.1 %	47,790	7.5 %
Education - higher education	566,306	4.9 %	667,274	6.4 %	(100,968)	(15.1)%
Law, justice and public safety	559,929	4.8 %	588,164	5.7 %	(28,235)	(4.8)%
Regulation of business	432,792	3.7 %	289,108	2.8 %	143,684	49.7 %
Recreation and resource development	148,364	1.3 %	163,566	1.6 %	(15,202)	(9.3)%
Debt service	3,495	0.0 %	3,487	0.0 %	8	0.2 %
<b>Total expenditures</b>	<b>\$ 11,560,594</b>	<b>100.0 %</b>	<b>\$ 10,390,705</b>	<b>100.0 %</b>	<b>\$ 1,169,889</b>	<b>11.3 %</b>

The total General Fund expenditures increased by 11.3%. The largest increases in expenditures were \$531.1 million, or 12.4%, in Health Services, \$471.7 million, or 26.6% in Social Services, and \$222.5 million, or 112.2%, in General Government. The increases in Health Services and Social Services were primarily due to an increase in Medicaid and food stamp program distributions. The increase in General Government was primarily due to COVID-19 relief payments to other local governments.

The *State Highway Fund* is a special revenue fund used to account for the maintenance, regulation, and construction of public highways and is funded through vehicle fuel taxes, federal funds, other charges, and bond revenue. The fund balance increased by \$28.8 million or 5.5% during the current fiscal year compared to an increase of \$60.8 million, before restatement, or 13.2%, in the prior year. Total revenues decreased by \$131.1 million, due primarily to a decrease in taxes. A significant portion of the decrease was due to changes in State legislation that required the basic governmental service tax revenue collected to be transferred the General Fund. Expenditures increased by \$69.7 million, or 7.2%, over the prior year. This was primarily due to an increase of \$71.3 million in transportation expenditures, due to major road construction projects either nearing completion or being completed. Other financing sources and uses increased by \$168.8 million, or 1,237.1%, due to the issuance of bonds.

#### Proprietary Funds:

The State's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Proprietary funds are comprised of two types: enterprise funds and internal service funds. Enterprise funds are used when goods or services are provided primarily to parties outside of the State while internal service funds are used when goods or services are provided primarily to State agencies.

**Enterprise Funds** – There are four major enterprise funds: Housing Division Fund, Unemployment Compensation Fund, Water Projects Loans Fund and the Higher Education Tuition Trust Fund. The combined net position of the four major funds is \$1.0 billion, the net position of the nonmajor enterprise funds is \$27.6 million and the total combined net position of all enterprise funds is \$1.0 billion. The combined net position of all enterprise funds decreased by \$898.0 million from the prior year, after restatement. The major enterprise funds are discussed below:

The *Housing Division Fund* was created for the purpose of making available additional funds to assist private enterprise and governmental agencies in providing safe and sanitary housing facilities and provides low interest loans for first-time home buyers with low or moderate incomes. The net position increased by \$10.3 million, or 4.4%, resulting in an ending net position of \$246.4 million. Revenues from interest on loans increased by 1.7%, reflecting Nevada's strong housing market. Operating expenses decreased by \$1.8 million, and operating revenues decreased by \$1.8 million.

The *Unemployment Compensation Fund* accounts for the payment of unemployment compensation benefits to unemployed State citizens. The net position decreased by \$1.0 billion from the prior year, after restatement, resulting in an ending net position of \$22.5 million. The current year change in net position was a decrease of \$948.8 million and the beginning net position was decreased by \$65.5 million for a change in methodology for calculating unemployment benefits that resulted in higher claims expense. The current year decrease in net position is primarily due to expenses exceeding revenues by \$942.7 million. During fiscal year 2021, \$6.9 billion of unemployment compensation benefits was paid to unemployed State citizens compared to \$5.5 billion paid in fiscal year 2020, representing a 26.6% increase in claims expense.

The *Water Projects Loans Fund* issues loans to governmental and private entities for two programs: Safe Drinking Water and Water Pollution Control. The federal EPA matches the State's bond proceeds to make loans to governmental entities; only federal funds are loaned to private entities. The net position increased by \$30.2 million during the current fiscal year, for a final net position of \$510.1 million, which is a 6.3% increase from the prior year.

The *Higher Education Tuition Trust Fund* provides a simple and convenient way for Nevada families to save for a college education through the advance payment of tuition. A purchaser enters into a contract for the future payment of tuition for a specified beneficiary. The contract benefits are based on in-state rates for Nevada public colleges, but can be used towards costs at any accredited, nonprofit, private or out-of-state college. The Trust Fund completed its twenty-third enrollment period during the fiscal year with 498 new enrollments. The net position increased by \$77.1 million, for an ending net position of \$219.1 million, a 54.3% increase over last year. This change in net position is considered a normal fluctuation in current activity from contract purchases, benefit payments, and investment earnings.

**Internal Service Funds** – The internal service funds charge State agencies for goods and services such as building maintenance, purchasing, printing, insurance, data processing and fleet services in order to recover the costs of the goods or services. Rates charged to State agencies for the operations of internal service funds are adjusted in following years to offset gains and losses. Because these are allocations of costs to other funds, they are not included separately in the government-wide financial statements but are eliminated and reclassified as either governmental activities or business-type activities. In 2021, total internal service fund net position increased by \$6.1 million, for a final net position of \$23.7 million, after restatement. The three largest funds are:

The *Self-Insurance Fund* accounts for group health, life and disability insurance for State employees and retirees and certain other public employees. Net position increased by \$4.0 million, or 4.7%, during the current year, for a final net position of \$88.6 million, after restatement. The increase in net position from current activity is primarily due to an increase in the State subsidy that was set in the 2019 Legislative Session.

The *Information Services Fund* accounts for design, maintenance and operation of the State's central computer facility, radio communication, and telecommunication systems. The net position deficit decreased by \$3.1 million, or 18.7%, during the current year, for a final net position deficit of \$13.5 million. The increase in net position from current activity is considered a normal fluctuation in charges for services and expenses of the fund.

The *Insurance Premiums Fund* accounts for general, civil (tort), auto and property casualty liabilities of State agencies. The net position deficit increased by \$7.5 million, or 17.5%, during the current year, resulting in an ending net position deficit of \$50.4 million. The decrease in net position from current activity is due to losses in the tort fund and increases in the liability tort cap that led to greater claims projections.

## ANALYSIS OF GENERAL FUND BUDGET VARIATIONS

The General Fund budgetary revenues and other financing sources were \$2.6 billion, or 12.8%, less than the final budget, primarily because actual intergovernmental revenues received were less than the final budgeted amount. Intergovernmental revenues represent federal grants, and there are timing differences arising from when grants are awarded, received and spent. The final budget can include grant revenue for the entire grant period, whereas the actual amount recorded represents grant revenue received in the current year.

The net increase in the General Fund expenditures and other uses budget from original to final was \$6.0 billion. Some of the differences originate because the original budget consists only of those budgets subject to legislative approval through the General Appropriations Act and the Authorizations Bill. The non-executive budgets, not subject to legislative approval, only require approval by the Budget Division, and, if approved after July 1, are considered to be revisions. Increases due to the nonexecutive budgets approved after July 1 and increased estimated receipts were approximately \$6.1 billion.

## CAPITAL ASSETS AND LONG-TERM DEBT ADMINISTRATION

### Capital Assets:

The State's capital assets for governmental and business-type activities as of June 30, 2021, amount to \$12.9 billion, net of accumulated depreciation of \$1.6 billion, resulting in a net book value of \$11.3 billion. This investment in capital assets includes land, buildings, improvements other than buildings, equipment, software costs, infrastructure, rights-of-way, and construction in progress. Infrastructure assets are items that are normally immovable, such as roads and bridges.

At June 30, 2021, the State had construction contract commitments of approximately \$560.1 million in the Highway Fund for construction of various highway projects, and \$24.9 million in capital projects funds for buildings and improvements. Funding for the commitments will come from existing resources in these funds and from future appropriations and bond proceeds.

As allowed by GASB Statement No. 34, the State has adopted an alternative process for recording depreciation expense on elected infrastructure assets. Under this alternative method, referred to as the modified approach, the State expenses certain maintenance and preservation costs and does not report depreciation expense on infrastructure. Utilization of this approach requires the State to: 1)

commit to maintaining and preserving affected assets at or above a condition level established by the State; 2) maintain an inventory of the assets and perform periodic condition assessments to ensure that the condition level is being maintained; and 3) make annual estimates of the amounts that must be expended to maintain and preserve assets at the predetermined condition levels. To monitor the condition of the roadways the State uses the International Roughness Index (IRI). The State has set a policy that it will maintain a certain percentage of each category of its roadways with an IRI of less than 95 and will also maintain its bridges so that not more than 10% are structurally deficient. The following table shows the State's policy and the condition level of the roadways and bridges:

**Condition Level of the Roadways**

**Percentage of roadways with an IRI of less than 95**

	<b>Category</b>				
	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
State Policy-minimum percentage	70%	65%	60%	40%	10%
Actual results of 2020 condition assessment	91%	86%	87%	54%	28%
Actual results of 2019 condition assessment	91%	86%	88%	57%	28%
Actual results of 2018 condition assessment	90%	88%	91%	58%	25%

**Condition Level of the Bridges**

**Percentage of substandard bridges**

	<b>2021</b>	<b>2020</b>	<b>2018</b>
State Policy-minimum percentage	7%	7%	10%
Actual results condition assessment	1%	1%	2%

The estimated amount necessary to maintain and preserve infrastructure assets at target condition levels exceeded the actual amounts of expense incurred for fiscal year 2021 by \$30.9 million. Even though actual spending for maintenance and preservation of infrastructure assets fell below estimates, condition levels are expected to approximately meet or exceed the target condition levels for the roadway category. Additional information on the State's infrastructure can be found in the schedule of Infrastructure Condition and Maintenance Data in the Required Supplementary Information section to the financial statements.

Additional information on the State's capital assets can be found in Note 7 to the financial statements.

**Long-term Debt Administration:**

As of year-end, the State had \$3.1 billion in bonds and certificates of participation outstanding, compared to \$3.1 billion last year, a decrease of \$5.4 million, or 0.2%, during the current fiscal year. This decrease was due primarily to the payment of principal on debt and refunding of general obligation bonds.

The most current bond ratings for the State's general obligation debt were AA+ from Fitch Ratings, Aa1 from Moody's Investors Service, and AA+ from S&P Global Ratings. These ratings are an indication of high-quality obligations and a reflection of sound financial management. The Constitution of the State limits the aggregate principal amount of the general obligation debt to 2% of the total reported assessed property value of the State. Exempt from this limitation are debts authorized by the Legislature that are incurred for the protection and preservation of, or for obtaining the benefits of, any property or natural resources within the State.

Additional information on the State's long-term debt obligations can be found in Note 9 to the financial statements and in the Statistical Section.

**Requests for Information**

This financial report is designed to provide a general overview of the State of Nevada's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: State of Nevada, Office of the State Controller, 101 N. Carson Street, Suite 5, Carson City, NV 89701, or visit our website at: [www.controller.nv.gov](http://www.controller.nv.gov).

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# **BASIC FINANCIAL SECTION**



## Statement of Net Position

June 30, 2021 (Expressed in Thousands)

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
<b>Assets</b>				
Cash and pooled investments	\$ 6,363,291	\$ 510,291	\$ 6,873,582	\$ 224,644
Investments	481,083	641,940	1,123,023	1,809,218
Internal balances	(720)	720	-	-
Due from component unit	23,569	-	23,569	-
Due from primary government	-	-	-	34,091
Accounts receivable	230,131	5,689	235,820	83,917
Taxes/assessments receivable	1,412,889	188,558	1,601,447	-
Intergovernmental receivables	933,757	269,782	1,203,539	146,824
Accrued interest and dividends	12,279	34,358	46,637	64
Contracts receivable	-	34,140	34,140	-
Mortgages receivable	-	682,268	682,268	-
Notes/loans receivable	92,980	471,152	564,132	5,926
Capital lease receivable	45,200	-	45,200	-
Other receivables	66	29,745	29,811	10,428
Inventory	125,381	1,882	127,263	9,970
Prepaid expenses	5,332	773	6,105	25,368
<i>Restricted assets:</i>				
Cash	175,395	-	175,395	68,349
Investments	-	132,539	132,539	17,771
Other assets	4	5	9	85,907
<i>Capital assets:</i>				
Land, infrastructure and construction in progress	9,764,008	568	9,764,576	303,399
Other capital assets, net	1,535,091	11,663	1,546,754	2,291,548
<b>Total assets</b>	<b>21,199,736</b>	<b>3,016,073</b>	<b>24,215,809</b>	<b>5,117,424</b>
<b>Deferred Outflows of Resources</b>				
Deferred charge on refunding	31,484	165	31,649	10,261
Pension related amounts	375,901	6,807	382,708	72,793
OPEB related amounts	100,056	1,919	101,975	64,709
<b>Total deferred outflows of resources</b>	<b>507,441</b>	<b>8,891</b>	<b>516,332</b>	<b>147,763</b>
<b>Liabilities</b>				
Accounts payable	2,014,352	733,987	2,748,339	55,767
Accrued payroll and related liabilities	77,364	1,278	78,642	95,396
Intergovernmental payables	425,439	49,980	475,419	-
Interest payable	16,069	4,083	20,152	13,735
Due to component units	34,091	-	34,091	-
Due to primary government	-	-	-	23,569
Contracts/retentions payable	43,480	-	43,480	-
Unearned revenues	3,267,136	15,674	3,282,810	77,059
Other liabilities	271,998	11	272,009	32,008
<i>Long-term liabilities:</i>				
<i>    Portion due or payable within one year:</i>				
Reserve for losses	103,590	-	103,590	-
Obligations under capital leases	2,662	-	2,662	2,860
Compensated absences	93,317	1,875	95,192	42,476
Tuition benefits payable	-	19,863	19,863	-
Bonds payable	197,165	64,568	261,733	43,229
Certificates of participation payable	3,688	-	3,688	-
Pollution remediation obligations	656	-	656	-
<i>    Portion due or payable after one year:</i>				
Federal advances	-	-	-	4,523
Reserve for losses	49,829	-	49,829	-
Obligations under capital leases	4,880	-	4,880	46,559
Net pension liability	2,311,453	43,310	2,354,763	430,389

## Statement of Net Position

June 30, 2021 (Expressed in Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Net OPEB liability	865,699	16,607	882,306	609,145
Compensated absences	32,980	661	33,641	29,476
Tuition benefits payable	-	188,277	188,277	-
Bonds payable	1,876,014	855,172	2,731,186	704,537
Certificates of participation payable	67,299	-	67,299	-
Unearned revenue	-	-	-	40,288
Pollution remediation obligations	3,868	-	3,868	-
<b>Total liabilities</b>	<b>11,763,029</b>	<b>1,995,346</b>	<b>13,758,375</b>	<b>2,251,016</b>
<b>Deferred Inflows of Resources</b>				
Pension related amounts	150,630	2,645	153,275	21,881
OPEB related amounts	61,480	1,179	62,659	43,259
Taxes	121	-	121	-
Fines and forfeitures	1,261	-	1,261	-
Lease revenue	-	-	-	6,449
Split-interest agreements	-	-	-	7,206
Service concession arrangement	-	-	-	1,531
<b>Total deferred inflows of resources</b>	<b>213,492</b>	<b>3,824</b>	<b>217,316</b>	<b>80,326</b>
<b>Net Position</b>				
Net investment in capital assets	9,846,410	5,130	9,851,540	1,882,872
Restricted for:				
Unemployment compensation	-	22,476	22,476	-
Tuition contract benefits	-	219,139	219,139	-
Security of outstanding obligations	-	155,487	155,487	-
Workers' compensation	-	25,756	25,756	-
Capital projects	2,779	-	2,779	81,197
Debt service	26,310	-	26,310	34,378
Education - K to 12	3,776	-	3,776	6,245
Transportation	385,029	-	385,029	-
Recreation and resource development	50,232	-	50,232	-
Law, justice and public safety	32,032	-	32,032	-
Health services	285,980	-	285,980	-
Regulation of business	29,049	2	29,051	-
Scholarships	-	-	-	697,549
Loans	-	510,124	510,124	7,071
Research and development	-	-	-	12,081
Other purposes	229	-	229	7,148
Funds held as permanent investments:				
Nonexpendable	397,035	-	397,035	462,488
Expendable	22	-	22	-
Unrestricted (deficit)	(1,328,227)	87,680	(1,240,547)	(257,184)
<b>Total net position</b>	<b>\$ 9,730,656</b>	<b>\$ 1,025,794</b>	<b>\$ 10,756,450</b>	<b>\$ 2,933,845</b>

The notes to the financial statements are an integral part of this statement.

# Statement of Activities

For the Year Ended June 30, 2021 (Expressed in Thousands)

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
Function/Programs					Governmental Activities	Business-type Activities	Total	
<b>Primary Government</b>								
<i>Governmental activities:</i>								
General government	\$ 646,810	\$ 232,752	\$ 205,540	\$ -	\$ (208,518)	\$ -	\$ (208,518)	-
Health services	4,771,672	207,164	4,016,537	-	(547,971)	-	(547,971)	-
Social services	2,406,499	55,533	1,759,553	-	(591,413)	-	(591,413)	-
Education - K-12 state support	1,701,099	-	5,151	-	(1,695,948)	-	(1,695,948)	-
Education - K-12 administrative	692,623	2,974	519,102	-	(170,547)	-	(170,547)	-
Education - higher education	566,306	-	-	-	(566,306)	-	(566,306)	-
Law, justice and public safety	757,496	280,194	258,104	852	(218,346)	-	(218,346)	-
Regulation of business	455,096	92,328	276,183	-	(86,585)	-	(86,585)	-
Transportation	625,214	18,620	286,801	5,509	(314,284)	-	(314,284)	-
Recreation and resource development	174,449	64,798	53,232	956	(55,463)	-	(55,463)	-
Interest on long-term debt	68,382	-	-	-	(68,382)	-	(68,382)	-
Unallocated depreciation	2,534	-	-	-	(2,534)	-	(2,534)	-
Total governmental activities	12,868,180	954,363	7,380,203	7,317	(4,526,297)	-	(4,526,297)	-
<i>Business-type activities:</i>								
Unemployment insurance	6,928,083	4,249	5,370,244	-	-	(1,553,590)	(1,553,590)	-
Housing	34,856	35,060	10,083	-	-	10,287	10,287	-
Water loans	5,177	9,178	28,062	-	-	32,063	32,063	-
Workers' compensation and safety	48,031	53,673	2,833	-	-	8,475	8,475	-
Higher education tuition	17,734	11,631	82,592	-	-	76,489	76,489	-
Other	29,695	33,509	73	-	-	3,887	3,887	-
Total business-type activities	7,063,576	147,300	5,493,887	-	-	(1,422,389)	(1,422,389)	-
Total primary government	\$ 19,931,756	\$ 1,101,663	\$ 12,874,090	\$ 7,317	(4,526,297)	(1,422,389)	(5,948,686)	-
Total component units	\$ 2,028,793	\$ 732,712	\$ 689,210	\$ 1,030	-	-	-	(605,841)

## General Revenues:

### Taxes:

Gaming taxes	588,642	-	588,642	-
Sales and use taxes	1,375,596	-	1,375,596	-
Modified business taxes	591,148	-	591,148	-
Insurance premium taxes	488,161	-	488,161	-
Cigarette taxes	152,702	-	152,702	-
Commerce taxes	225,944	-	225,944	-
Property and transfer taxes	153,506	-	153,506	-
Lodging taxes	12,275	-	12,275	-
Motor and special fuel taxes	2,216	-	2,216	-
Other taxes	583,686	377	584,063	-

### Restricted for unemployment compensation:

Other taxes	-	610,874	610,874	-
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Restricted for general government purposes:				
Settlement income	1,545	-	1,545	-
Restricted for health services purposes:				
Other taxes	54,433	-	54,433	-
Restricted for social services purposes:				
Other taxes	14,721	-	14,721	-
Restricted for educational purposes:				
Sales and use taxes	290,778	-	290,778	-
Other taxes	92,138	-	92,138	-
Lodging taxes	81,948	-	81,948	-
Restricted for law, justice and public safety:				
Other	3,031	-	3,031	-
Other taxes	56	-	56	-
Restricted for regulation of business:				
Other taxes	4,797	-	4,797	-
Restricted for transportation purposes:				
Motor and special fuel taxes	255,078	-	255,078	-
Other taxes	2,560	-	2,560	-
Restricted for recreation and resources development:				
Other taxes	935	-	935	-
Settlement income	447	-	447	-
Restricted for debt service purposes:				
Property and transfer taxes	192,902	-	192,902	-
Motor and special fuel taxes	75,418	-	75,418	-
Other	3,498	-	3,498	-
Settlement income	85,107	-	85,107	-
Unrestricted investment earnings	265	-	265	361,362
Gain on sale of assets	-	61	61	2,147
Other general revenues	182,938	-	182,938	17,547
Contributions to permanent funds	13,650	-	13,650	12,870
Payments from State of Nevada	-	-	-	664,449
Transfers	21,798	(21,798)	-	-
Total general revenues, contributions, payments and transfers	5,551,919	589,514	6,141,433	1,058,375
Change in net position	1,025,622	(832,875)	192,747	452,534
Net position - beginning	8,935,518	1,924,164	10,859,682	2,639,715
Net position restatement	(230,484)	(65,495)	(295,979)	(158,404)
Net position - beginning (as restated)	8,705,034	1,858,669	10,563,703	2,481,311
<b>Net position - ending</b>	<b>\$ 9,730,656</b>	<b>\$ 1,025,794</b>	<b>\$ 10,756,450</b>	<b>\$ 2,933,845</b>

The notes to the financial statements are an integral part of this statement.

June 30, 2021

	General Fund	State Highway	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 5,108,035,788	\$ 527,506,286	\$ 498,348,781	\$ 6,133,890,855
Cash in custody of other officials	6,015,509	3,622,145	3,375,489	13,013,143
Investments	32,259,323	-	448,823,931	481,083,254
<i>Receivables:</i>				
Accounts receivable	152,322,990	10,692,175	44,795,912	207,811,077
Taxes receivable	1,378,014,757	32,979,039	1,895,122	1,412,888,918
Intergovernmental receivables	899,034,733	16,169,079	17,688,049	932,891,861
Accrued interest and dividends	10,833,570	-	1,445,735	12,279,305
Notes/loans receivable	13,859,933	-	79,065,000	92,924,933
Capital lease receivable	-	-	45,200,000	45,200,000
Other receivables	65,895	-	-	65,895
Due from other funds	161,659,428	45,726,822	116,651,135	324,037,385
Due from fiduciary funds	124,247	-	1,211,890	1,336,137
Due from component units	134,189	-	23,355,302	23,489,491
Inventory	102,401,085	22,274,366	476,904	125,152,355
Advances to other funds	53,200,088	2,974,194	-	56,174,282
Restricted cash	4,906,513	93,125,362	77,363,299	175,395,174
Prepaid items	4,532,155	431,931	110,401	5,074,487
<b>Total assets</b>	<b>\$ 7,927,400,203</b>	<b>\$ 755,501,399</b>	<b>\$ 1,359,806,950</b>	<b>\$10,042,708,552</b>
<b>Liabilities</b>				
<i>Accounts payable and accruals:</i>				
Accounts payable	\$ 1,108,966,366	\$ 71,707,012	\$ 17,042,630	\$ 1,197,716,008
Accrued payroll and related liabilities	55,335,219	17,458,476	2,866,837	75,660,532
Intergovernmental payables	403,796,113	20,312,093	1,182,065	425,290,271
Contracts/retentions payable	890,709	31,551,725	11,037,203	43,479,637
Due to other funds	118,655,724	41,805,364	178,469,081	338,930,169
Due to fiduciary funds	787,910,459	7,738	2,443	787,920,640
Due to component units	31,582,132	194,484	2,297,663	34,074,279
Advances from other funds	-	-	50,000,000	50,000,000
Unearned revenues	3,264,847,356	30,614	2,238,722	3,267,116,692
Other liabilities	218,911,192	13,337,699	36,267,920	268,516,811
<b>Total liabilities</b>	<b>5,990,895,270</b>	<b>196,405,205</b>	<b>301,404,564</b>	<b>6,488,705,039</b>
<b>Deferred Inflows of Resources</b>				
<i>Unavailable revenue:</i>				
Taxes	205,899,222	3,903,361	359,785	210,162,368
Intergovernmental	254,713,582	-	-	254,713,582
Licenses, fees and permits	1,687,110	2,029,950	692	3,717,752
Sales and charges for services	8,830,922	188,887	-	9,019,809
Settlement income	-	-	18,034,394	18,034,394
Lease principal payments	-	-	45,200,000	45,200,000
Interest	2,787,766	658,847	719,648	4,166,261
Other	40,175,356	524,120	653,168	41,352,644
Taxes	120,954	-	-	120,954
Fines and forfeitures	1,260,924	-	-	1,260,924
<b>Total deferred inflows of resources</b>	<b>515,475,836</b>	<b>7,305,165</b>	<b>64,967,687</b>	<b>587,748,688</b>
<b>Fund Balances</b>				
Nonspendable	173,325,076	22,706,297	397,622,454	593,653,827
Restricted	80,690,016	451,517,704	173,746,164	705,953,884
Committed	1,061,451,176	77,567,028	422,066,081	1,561,084,285
Assigned	13,787,661	-	-	13,787,661
Unassigned	91,775,168	-	-	91,775,168
<b>Total fund balances</b>	<b>1,421,029,097</b>	<b>551,791,029</b>	<b>993,434,699</b>	<b>2,966,254,825</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 7,927,400,203</b>	<b>\$ 755,501,399</b>	<b>\$ 1,359,806,950</b>	<b>\$10,042,708,552</b>

The notes to the financial statements are an integral part of this statement.

# Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

June 30, 2021

**Total fund balances - governmental funds** \$ 2,966,254,825

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	\$ 173,229,949	
Construction in progress	2,647,614,837	
Infrastructure assets	5,969,820,884	
Rights-of-way	972,309,747	
Buildings	2,063,669,558	
Improvements other than buildings	162,702,050	
Furniture and equipment	475,841,885	
Software costs	320,732,844	
Accumulated depreciation/amortization	<u>(1,511,045,133)</u>	
Total capital assets		11,274,876,621

Some of the State's revenues collected after year-end are not available soon enough to pay for the current period's expenditures and, therefore, are reported as unavailable deferred inflows of resources in the funds. 586,366,810

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the statement of net position. 23,705,514

The loss on early retirement of debt is reported as a deferred outflow of resources on the statement of net position and is amortized over the original remaining life of the old debt, or the life of the new debt, whichever is less. 31,483,970

Deferred outflow of resources related to pensions are not reported in the governmental funds. 366,690,108

Deferred outflow of resources related to other post-employment benefits are not reported in the governmental funds. 97,407,503

Deferred inflow of resources related to pensions are not reported in the governmental funds. (146,951,688)

Deferred inflow of resources related to other post-employment benefits are not reported in the governmental funds. (59,849,794)

Certain liabilities for settlement agreements are not due and payable in the current period and therefore are not reported in the funds. (20,240,725)

Some liabilities are not due and payable in the current period and therefore are not reported in the funds.

Those liabilities consist of:

Net pension liability	(2,254,221,408)	
Net OPEB liability	(842,713,669)	
Bonds payable	(2,071,009,216)	
Accrued interest on bonds	(16,069,334)	
Certificates of participation	(70,986,940)	
Capital leases	(7,257,125)	
Compensated absences	(122,305,045)	
Pollution remediation liability	<u>(4,523,555)</u>	
Total long-term liabilities		(5,389,086,292)

**Net position of governmental activities** \$ 9,730,656,852

The notes to the financial statements are an integral part of this statement.



For the Fiscal Year Ended June 30, 2021

	General Fund	State Highway	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Gaming taxes, fees, licenses	\$ 579,224,841	\$ -	\$ 12,618,027	\$ 591,842,868
Sales taxes	1,671,350,898	-	-	1,671,350,898
Modified business taxes	597,144,096	-	-	597,144,096
Insurance premium taxes	487,866,081	-	-	487,866,081
Lodging taxes	81,947,509	-	-	81,947,509
Cigarette taxes	152,701,797	-	-	152,701,797
Commerce taxes	221,958,301	-	-	221,958,301
Property and transfer taxes	136,950,802	-	209,457,123	346,407,925
Motor and special fuel taxes	2,215,911	255,078,232	75,418,365	332,712,508
Other taxes	641,356,804	62,043,085	43,162,863	746,562,752
Intergovernmental	7,102,604,480	297,356,423	138,401,856	7,538,362,759
Licenses, fees and permits	421,562,786	228,592,249	22,089,582	672,244,617
Sales and charges for services	62,788,878	20,244,804	20,629,174	103,662,856
Interest and investment income	3,268,499	(1,067,315)	74,875,626	77,076,810
Settlement income	14,276,991	-	72,257,076	86,534,067
Land sales	-	-	6,514,366	6,514,366
Other	88,611,118	25,443,577	26,864,904	140,919,599
<b>Total revenues</b>	<b>12,265,829,792</b>	<b>887,691,055</b>	<b>702,288,962</b>	<b>13,855,809,809</b>
<b>Expenditures</b>				
<i>Current:</i>				
General government	420,907,335	-	45,099,781	466,007,116
Health services	4,800,217,428	-	1,326,939	4,801,544,367
Social services	2,246,301,712	-	127,366,893	2,373,668,605
Education - K-12 state support	1,701,098,826	-	-	1,701,098,826
Education - K-12 administrative	681,183,344	-	10,368,617	691,551,961
Education - higher education	566,305,797	-	69,559,670	635,865,467
Law, justice and public safety	559,929,066	200,127,855	32,228,665	792,285,586
Regulation of business	432,791,876	-	18,516,843	451,308,719
Transportation	-	839,630,875	-	839,630,875
Recreation and resource development	148,364,427	-	21,581,797	169,946,224
Capital outlay	-	-	44,043,811	44,043,811
<i>Debt service:</i>				
Principal	2,985,108	-	195,614,000	198,599,108
Interest, fiscal charges	472,569	-	91,381,230	91,853,799
Debt issuance costs	37,024	1,573,124	1,426,697	3,036,845
<b>Total expenditures</b>	<b>11,560,594,512</b>	<b>1,041,331,854</b>	<b>658,514,943</b>	<b>13,260,441,309</b>
Excess (deficiency) of revenues over (under) expenditures	<b>705,235,280</b>	<b>(153,640,799)</b>	<b>43,774,019</b>	<b>595,368,500</b>
<b>Other Financing Sources (Uses)</b>				
Bonds issued	2,675,000	143,480,000	89,055,000	235,210,000
Refunding bonds issued	-	-	13,375,000	13,375,000
Premium on bonds issued	363,718	18,101,818	15,188,432	33,653,968
Payment to refunded bond agent	-	-	(16,125,000)	(16,125,000)
Sale of capital assets	335,220	-	-	335,220
Transfers in	295,005,154	42,517,507	182,589,019	520,111,680
Transfers out	(122,448,850)	(21,702,087)	(364,926,420)	(509,077,357)
<b>Total other financing sources (uses)</b>	<b>175,930,242</b>	<b>182,397,238</b>	<b>(80,843,969)</b>	<b>277,483,511</b>
Net change in fund balances	<b>881,165,522</b>	<b>28,756,439</b>	<b>(37,069,950)</b>	<b>872,852,011</b>
Fund balances, July 1	804,793,153	523,034,590	988,526,848	2,316,354,591
Fund balance restatement	(264,929,578)	-	41,977,801	(222,951,777)
Fund balances, July 1 (as restated)	539,863,575	523,034,590	1,030,504,649	2,093,402,814
<b>Fund balances, June 30</b>	<b>\$ 1,421,029,097</b>	<b>\$ 551,791,029</b>	<b>\$ 993,434,699</b>	<b>\$ 2,966,254,825</b>

The notes to the financial statements are an integral part of this statement.

# Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Fiscal Year Ended June 30, 2021

<b>Net change in fund balances - total governmental funds</b>		<b>\$ 872,852,011</b>
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, the amounts are:		
Capital outlay	\$ 366,182,940	
Depreciation expense	<u>(99,346,258)</u>	
Excess of capital outlay over depreciation expense		266,836,682
Debt proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the statement of net assets. In the current period, proceeds were received from:		
Bonds issued	(235,210,000)	
Refunding bonds issued	(13,375,000)	
Premiums on debt issued	<u>(33,653,968)</u>	
Total bond proceeds		(282,238,968)
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year, these amounts consist of:		
Bond principal retirement	191,724,677	
Certificates of participation retirement	3,376,000	
Payments to the bond refunding agent	16,125,000	
Capital lease payments	<u>2,614,108</u>	
Total long-term debt repayment		213,839,785
Internal service funds are used to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is reported with governmental activities.		
		13,953,618
Because some revenues will not be collected for several months after the State's fiscal year end, they are not considered "available" and are not reported as revenues in the governmental funds. Unavailable deferred inflows of resources changed by this amount		
		12,723,290
In the statement of activities, the gain or loss on the sale of assets is reported, whereas in the governmental funds, only the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the asset sold.		
		(911,963)
Amortization of deferred loss on early retirement of debt is reported as an expense for the statement of activities.		
		(8,431,735)
Amortization of premiums on bonds and certificates of participation is reported as a reduction of interest expense for the statement of activities.		
		34,888,781
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of the net change in:		
Pension costs, net	(35,085,655)	
Other post-employment benefit costs, net	(33,210,229)	
Compensated absences	(9,828,004)	
Settlement agreement liability	(20,240,725)	
Pollution remediation liability	<u>476,445</u>	
Total additional expenditures		(97,888,168)
<b>Net change in net position - governmental activities</b>		<b>\$ 1,025,623,333</b>

The notes to the financial statements are an integral part of this statement.

# Statement of Net Position

## Proprietary Funds

June 30, 2021

	Enterprise Funds						Internal Service Funds
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Nonmajor Enterprise Funds	Total Enterprise Funds	
<b>Assets</b>							
<b>Current assets:</b>							
<i>Cash and pooled investments:</i>							
Cash with treasurer	\$ 3,193,280	\$ -	\$ 153,354,200	\$ 8,736,417	\$ 85,171,504	\$ 250,455,401	\$ 216,387,149
Cash in custody of other officials	18,086,711	240,785,232	-	739,476	224,167	259,835,586	-
Investments	121,664,136	-	-	383,915,263	-	505,579,399	-
<i>Receivables:</i>							
Accounts receivable	-	-	-	-	5,679,340	5,679,340	8,879,479
Assessments receivable	-	188,558,008	-	-	-	188,558,008	-
Intergovernmental receivables	-	268,438,970	369,898	-	973,480	269,782,348	865,142
Contracts receivable	-	-	-	7,794,568	-	7,794,568	-
Mortgages receivable	49,942,525	-	-	-	-	49,942,525	-
Accrued interest and dividends	29,442,746	-	4,430,675	484,163	-	34,357,584	-
Notes/loans receivable	-	-	34,773,857	-	-	34,773,857	5,000
Other receivables	-	29,744,629	-	-	-	29,744,629	-
Due from other funds	505,232	-	405,475	37,207	2,388,584	3,336,498	17,953,511
Due from fiduciary funds	-	-	-	-	9,423	9,423	12,104,243
Due from component units	-	-	-	-	-	-	79,671
Inventory	-	-	-	-	1,881,883	1,881,883	228,288
Prepaid items	356,097	-	652	391	415,815	772,955	257,932
<i>Restricted assets:</i>							
Investments	55,318,867	-	-	-	-	55,318,867	-
<b>Total current assets</b>	<b>278,509,594</b>	<b>727,526,839</b>	<b>193,334,757</b>	<b>401,707,485</b>	<b>96,744,196</b>	<b>1,697,822,871</b>	<b>256,760,415</b>
<b>Noncurrent assets:</b>							
Investments	136,360,493	-	-	-	-	136,360,493	-
<i>Receivables:</i>							
Contracts receivable	-	-	-	26,345,394	-	26,345,394	-
Mortgages receivable	632,325,178	-	-	-	-	632,325,178	-
Notes/loans receivable	56,553,860	-	379,824,098	-	-	436,377,958	50,000
<i>Restricted assets:</i>							
Investments	77,220,445	-	-	-	-	77,220,445	-
Other assets	-	-	-	-	5,000	5,000	3,761
<i>Capital assets:</i>							
Land	-	-	-	-	567,812	567,812	1,032,737
Buildings	-	-	-	-	1,406,840	1,406,840	20,392,485
Improvements other than buildings	-	-	-	-	5,638,507	5,638,507	3,839,621
Furniture and equipment	798,555	-	5,910	168,025	15,938,421	16,910,911	54,538,077
Software costs	-	-	-	-	-	-	16,134,510
Less accumulated depreciation/amortization	(729,066)	-	(5,910)	(161,460)	(11,397,627)	(12,294,063)	(71,714,822)
<b>Total noncurrent assets</b>	<b>902,529,465</b>	<b>-</b>	<b>379,824,098</b>	<b>26,351,959</b>	<b>12,158,953</b>	<b>1,320,864,475</b>	<b>24,276,369</b>
<b>Total assets</b>	<b>1,181,039,059</b>	<b>727,526,839</b>	<b>573,158,855</b>	<b>428,059,444</b>	<b>108,903,149</b>	<b>3,018,687,346</b>	<b>281,036,784</b>
<b>Deferred Outflows of Resources</b>							
Deferred charge on refunding	-	-	30,115	-	134,911	165,026	-
Pension related amounts	344,595	-	95,763	53,565	6,313,125	6,807,048	9,211,364
OPEB related amounts	98,006	-	27,015	15,685	1,778,115	1,918,821	2,648,145
<b>Total deferred outflows of resources</b>	<b>442,601</b>	<b>-</b>	<b>152,893</b>	<b>69,250</b>	<b>8,226,151</b>	<b>8,890,895</b>	<b>11,859,509</b>

(continued)

	Enterprise Funds						
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>Liabilities</b>							
<b>Current liabilities:</b>							
<i>Accounts payable and accruals:</i>							
Accounts payable	\$ 76,503,879	\$ 654,909,078	\$ 95,859	\$ 158,105	\$ 2,277,470	\$ 733,944,391	\$ 6,258,589
Accrued payroll and related liabilities	62,438	-	18,927	11,054	1,185,203	1,277,622	1,703,520
Interest payable	3,051,319	-	974,532	-	57,612	4,083,463	-
Intergovernmental payables	-	49,962,329	-	-	17,971	49,980,300	148,839
Bank overdraft	-	-	-	-	-	-	2,210,420
Due to other funds	268,251	179,516	279,239	124,665	1,652,568	2,504,239	3,892,986
Due to fiduciary funds	-	-	-	-	39,180	39,180	4,699
Due to component units	-	-	-	-	-	-	16,658
Unearned revenues	-	-	-	-	15,674,422	15,674,422	3,483,494
Other liabilities	-	-	-	-	11,450	11,450	17,417
<i>Short-term portion of long-term liabilities:</i>							
Reserve for losses	-	-	-	-	-	-	103,589,736
Compensated absences	128,449	-	33,048	26,997	1,686,139	1,874,633	2,764,399
Benefits payable	-	-	-	19,863,426	-	19,863,426	-
Bonds payable	55,170,374	-	8,969,700	-	427,943	64,568,017	513,323
Obligations under capital leases	-	-	-	-	-	-	285,456
<b>Total current liabilities</b>	<b>135,184,710</b>	<b>705,050,923</b>	<b>10,371,305</b>	<b>20,184,247</b>	<b>23,029,958</b>	<b>893,821,143</b>	<b>124,889,536</b>
<b>Noncurrent liabilities:</b>							
Advances from other funds	-	-	-	-	103,350	103,350	6,070,932
Reserve for losses	-	-	-	-	-	-	49,828,997
Net pension obligation	2,186,161	-	611,554	333,705	40,178,232	43,309,652	57,231,711
Net OPEB liability	848,211	-	233,816	135,750	15,388,987	16,606,764	22,985,551
Compensated absences	49,572	-	14,037	22,721	574,605	660,935	1,228,078
Benefits payable	-	-	-	188,277,015	-	188,277,015	-
Bonds payable	796,596,504	-	51,902,935	-	6,672,525	855,171,964	1,656,311
<b>Total noncurrent liabilities</b>	<b>799,680,448</b>	<b>-</b>	<b>52,762,342</b>	<b>188,769,191</b>	<b>62,917,699</b>	<b>1,104,129,680</b>	<b>139,001,580</b>
<b>Total liabilities</b>	<b>934,865,158</b>	<b>705,050,923</b>	<b>63,133,647</b>	<b>208,953,438</b>	<b>85,947,657</b>	<b>1,997,950,823</b>	<b>263,891,116</b>
<b>Deferred Inflows of Resources</b>							
Pension related amounts	133,532	-	37,354	20,384	2,454,137	2,645,407	3,678,324
OPEB related amounts	60,239	-	16,606	9,641	1,092,899	1,179,385	1,630,675
<b>Total deferred inflows of resources</b>	<b>193,771</b>	<b>-</b>	<b>53,960</b>	<b>30,025</b>	<b>3,547,036</b>	<b>3,824,792</b>	<b>5,308,999</b>
<b>Net Position</b>							
Net investment in capital assets	69,489	-	-	6,565	5,053,485	5,129,539	21,779,735
<i>Restricted for:</i>							
Unemployment compensation	-	22,475,916	-	-	-	22,475,916	-
Tuition contract benefits	-	-	-	219,138,666	-	219,138,666	-
Security of outstanding obligations	155,487,167	-	-	-	-	155,487,167	-
Workers' compensation	-	-	-	-	25,755,672	25,755,672	-
Revolving loans	-	-	510,124,141	-	-	510,124,141	-
Regulation of business	-	-	-	-	2,000	2,000	-
Unrestricted (deficit)	90,866,075	-	-	-	(3,176,550)	87,689,525	1,916,443
<b>Total net position</b>	<b>\$ 246,422,731</b>	<b>\$ 22,475,916</b>	<b>\$ 510,124,141</b>	<b>\$ 219,145,231</b>	<b>\$ 27,634,607</b>	<b>\$ 1,025,802,626</b>	<b>\$ 23,696,178</b>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time.						(9,336)	
Net position of business-type activities						\$ 1,025,793,290	

The notes to the financial statements are an integral part of this statement.

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For the Fiscal Year Ended June 30, 2021

	Enterprise Funds						
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>Operating Revenues</b>							
Net premium income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 395,735,973
Sales	-	-	-	11,555,044	6,228,327	17,783,371	2,747,687
Assessments	-	610,874,465	-	-	377,477	611,251,942	-
Charges for services	-	-	5,747	75,800	12,494,321	12,575,868	64,451,129
Rental income	-	-	-	-	187,440	187,440	22,643,275
Interest income on loans/notes	24,215,907	-	9,172,359	-	-	33,388,266	-
Interest and investment income	6,737,385	-	-	-	-	6,737,385	-
Federal government	-	5,367,521,967	27,304,613	-	-	5,394,826,580	-
Licenses, fees and permits	-	-	-	-	41,447,951	41,447,951	-
Fines	-	-	-	-	3,355,852	3,355,852	-
Other	10,844,166	4,249,401	-	-	8,073,032	23,166,599	402,712
<b>Total operating revenues</b>	<b>41,797,458</b>	<b>5,982,645,833</b>	<b>36,482,719</b>	<b>11,630,844</b>	<b>72,164,400</b>	<b>6,144,721,254</b>	<b>485,980,776</b>
<b>Operating Expenses</b>							
Salaries and benefits	1,467,539	-	424,115	250,144	38,329,279	40,471,077	40,012,022
Operating	576,310	-	3,556,751	625,605	11,741,131	16,499,797	44,589,667
Claims and benefits expense	-	6,928,084,641	-	16,845,703	8,054,591	6,952,984,935	322,205,786
Interest on bonds payable	28,783,244	-	1,193,190	-	-	29,976,434	-
Materials or supplies used	-	-	-	-	2,621,160	2,621,160	237,077
Servicers' fees	9,811	-	-	-	-	9,811	-
Depreciation	36,255	-	-	16,698	856,807	909,760	6,238,005
Bond issuance costs	1,715,904	-	-	-	-	1,715,904	-
Insurance premiums	-	-	-	-	-	-	69,591,813
<b>Total operating expenses</b>	<b>32,589,063</b>	<b>6,928,084,641</b>	<b>5,174,056</b>	<b>17,738,150</b>	<b>61,602,968</b>	<b>7,045,188,878</b>	<b>482,874,370</b>
Operating income (loss)	9,208,395	(945,438,808)	31,308,663	(6,107,306)	10,561,432	(900,467,624)	3,106,406
<b>Nonoperating Revenues (Expenses)</b>							
Interest and investment income	-	2,721,672	757,459	82,592,063	(162,155)	85,909,039	(517,722)
Interest expense	-	-	-	-	(264,057)	(264,057)	(31,921)
Bond issuance costs	-	-	-	-	(62,988)	(62,988)	-
Federal grant revenue	3,345,771	-	-	-	3,058,547	6,404,318	-
Federal grant expense	(2,245,727)	-	-	-	-	(2,245,727)	-
Gain (loss) on disposal of assets	-	-	-	-	-	-	282,628
<b>Total nonoperating revenues (expenses)</b>	<b>1,100,044</b>	<b>2,721,672</b>	<b>757,459</b>	<b>82,592,063</b>	<b>2,569,347</b>	<b>89,740,585</b>	<b>(267,015)</b>
Income (loss) before transfers	10,308,439	(942,717,136)	32,066,122	76,484,757	13,130,779	(810,727,039)	2,839,391
<b>Transfers</b>							
Transfers in	7,778	-	421	703,554	660,915	1,372,668	11,828,157
Transfers out	-	(6,052,438)	(1,870,703)	-	(15,247,641)	(23,170,782)	(1,064,366)
Change in net position	10,316,217	(948,769,574)	30,195,840	77,188,311	(1,455,947)	(832,525,153)	13,603,182
Net position, July 1	236,106,514	1,036,740,511	479,928,301	141,956,920	29,090,554	-	17,625,033
Net position restatement	-	(65,495,021)	-	-	-	-	(7,532,037)
Net position, July 1 (as restated)	236,106,514	971,245,490	479,928,301	141,956,920	29,090,554	-	10,092,996
<b>Net position, June 30</b>	<b>\$ 246,422,731</b>	<b>\$ 22,475,916</b>	<b>\$ 510,124,141</b>	<b>\$ 219,145,231</b>	<b>\$ 27,634,607</b>		<b>\$ 23,696,178</b>

Adjustment for the net effect of the current year activity  
between the internal service funds and the enterprise funds.  
Change in net position of business-type activities

(350,436)  
\$ (832,875,589)

The notes to the financial statements are an integral part of this statement.

# Statement of Cash Flows

## Proprietary Funds

For the Fiscal Year Ended June 30, 2021

	Enterprise Funds						
	Major Funds						Internal Service Funds
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Nonmajor Enterprise Funds	Totals	
<b>Cash flows from operating activities</b>							
Receipts from customers and users	\$ 34,329,686	\$ 688,240,288	\$ 5,907	\$ 14,110,400	\$ 73,004,060	\$ 809,690,341	\$ 44,688,893
Receipts for interfund services provided	5,177	-	-	5,471	1,773,905	1,784,553	335,335,131
Receipts from component units	-	-	-	-	-	-	100,559,713
Receipts of principal on loans/notes	116,301,511	-	-	-	-	116,301,511	5,000
Receipts of interest on loans/notes	24,503,729	-	-	-	-	24,503,729	-
Receipts from Federal government	-	6,022,409,961	27,220,865	-	-	6,049,630,826	-
Payments to suppliers, other governments and beneficiaries	(2,496,662)	(7,776,033,897)	(3,423,291)	(7,509,290)	(14,414,073)	(7,803,877,213)	(414,840,024)
Payments to employees	(1,452,615)	-	(410,327)	(222,131)	(37,587,772)	(39,672,845)	(40,301,173)
Payments for interfund services	(327,697)	(5,895,207)	(129,217)	(143,706)	(9,943,656)	(16,439,483)	(19,603,787)
Payments to component units	-	-	-	(8,030,073)	(53,844)	(8,083,917)	(171,977)
Purchase of loans and notes	(132,002,023)	-	-	-	-	(132,002,023)	-
Net cash provided by (used for) operating activities	38,861,106	(1,071,278,855)	23,263,937	(1,789,329)	12,778,620	(998,164,521)	5,671,776
<b>Cash flows from noncapital financing activities</b>							
Grant receipts	3,341,450	332,408,472	-	-	2,754,026	338,503,948	-
Proceeds from sale of bonds	186,998,950	-	-	-	-	186,998,950	-
Transfers and advances from other funds	4,321	-	421	710,216	2,251,141	2,966,099	9,031,885
Principal paid on noncapital debt	(215,472,147)	-	(10,885,000)	-	-	(226,357,147)	-
Interest paid on noncapital debt	(29,512,291)	-	(2,595,263)	-	-	(32,107,554)	-
Transfers and advances to other funds	-	-	(1,792,214)	-	(15,594,303)	(17,386,517)	(5,102,718)
Payments to other governments and organizations	(2,245,727)	-	-	-	-	(2,245,727)	-
Bond issuance costs	(670,212)	-	-	-	-	(670,212)	-
Net cash provided by (used for) noncapital financing activities	(57,555,656)	332,408,472	(15,272,056)	710,216	(10,589,136)	249,701,840	3,929,167
<b>Cash flows from capital and related financing activities</b>							
Proceeds from capital debt	-	-	-	-	1,762,514	1,762,514	-
Proceeds from sale of capital assets	-	-	-	-	-	-	282,093
Purchase of capital assets	-	-	-	-	(103,599)	(103,599)	(792,488)
Principal paid on capital debt	-	-	-	-	(327,000)	(327,000)	(1,747,862)
Interest paid on capital debt	-	-	-	-	(273,176)	(273,176)	(31,921)
Payments on refunding bonds	-	-	-	-	(1,695,000)	(1,695,000)	-
Bond Issuance costs	-	-	-	-	(62,988)	(62,988)	-
Net cash provided by (used for) capital and related financing activities	-	-	-	-	(699,249)	(699,249)	(2,290,178)
<b>Cash flows from investing activities</b>							
Proceeds from sale of investments	766,807,272	-	-	44,327,541	-	811,134,813	-
Receipts of principal on loans/notes	-	-	35,357,508	-	-	35,357,508	-
Purchase of investments	(737,319,049)	-	-	(42,868,567)	-	(780,187,616)	-
Purchase of loans and notes	-	-	(51,036,573)	-	-	(51,036,573)	-
Interest, dividends and gains (losses)	8,680,762	2,721,670	10,429,910	4,245,495	72,811	26,150,648	(517,722)
Net cash provided by (used for) investing activities	38,168,985	2,721,670	(5,249,155)	5,704,469	72,811	41,418,780	(517,722)
Net increase (decreases) in cash	19,474,435	(736,148,713)	2,742,726	4,625,356	1,563,046	(707,743,150)	6,793,043
Cash and cash equivalents, July 1	1,805,556	976,933,945	150,611,474	4,850,537	83,832,625	1,218,034,137	209,594,106
Cash and cash equivalents, June 30	\$ 21,279,991	\$ 240,785,232	\$ 153,354,200	\$ 9,475,893	\$ 85,395,671	\$ 510,290,987	\$ 216,387,149

(continued)

	Enterprise Funds						
	Major Funds						Internal Service Funds
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Nonmajor Enterprise Funds	Totals	
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>							
Operating income (loss)	\$ 9,208,395	\$ (945,438,808)	\$ 31,308,663	\$ (6,107,306)	\$ 10,561,432	\$ (900,467,624)	\$ 3,106,408
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities</b>							
Depreciation	36,255	-	-	16,698	856,807	909,760	6,238,005
Interest on loans	(6,737,385)	-	(9,172,359)	-	-	(15,909,744)	-
Interest on bonds payable	30,499,148	-	1,193,190	-	-	31,692,338	-
Decrease (increase) in loans and notes receivable	(15,069,998)	(332,408,472)	-	-	-	(347,478,470)	5,000
Decrease (increase) in accrued interest and receivables	(11,777,359)	652,408,470	(83,588)	2,485,027	(490,937)	642,541,613	(5,397,473)
Decrease (increase) in inventory, deferred charges, other assets	-	-	(59)	(272)	(540,291)	(540,622)	(31,508)
Decrease (increase) in deferred outflow of resources	(12,303)	-	(3,884)	(2,311)	(224,644)	(243,142)	(268,134)
Increase (decrease) in accounts payable, accruals, other liabilities	32,687,126	(445,840,045)	5,224	1,821,084	(1,286,864)	(412,613,475)	2,120,361
Increase (decrease) in unearned revenues	-	-	-	-	3,104,502	3,104,502	(6,261)
Increase (decrease) in net pension liability	32,113	-	26,232	(7,431)	917,976	968,890	(311,014)
Increase (decrease) in net OPEB liability	53,199	-	5,727	14,746	922,550	996,222	1,758,714
Increase (decrease) in deferred inflows of resources	(58,085)	-	(15,209)	(9,564)	(1,041,911)	(1,124,769)	(1,542,322)
<b>Total adjustments</b>	<b>29,652,711</b>	<b>(125,840,047)</b>	<b>(8,044,726)</b>	<b>4,317,977</b>	<b>2,217,188</b>	<b>(97,696,897)</b>	<b>2,565,368</b>
<b>Net cash provided by (used for) operating activities</b>	<b>\$ 38,861,106</b>	<b>\$ (1,071,278,855)</b>	<b>\$ 23,263,937</b>	<b>\$ (1,789,329)</b>	<b>\$ 12,778,620</b>	<b>\$ (998,164,521)</b>	<b>\$ 5,671,776</b>

The notes to the financial statements are an integral part of this statement.



June 30, 2021

	Pension and Other Employee Benefits Trust Funds	Investment Trust Funds	Private purpose trust funds	Custodial Funds
<b>Assets</b>				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 2,118,781	\$ -	\$ 15,556,624	\$ 164,542,275
Cash in custody of other officials	706,856,245	6,593,085	35,070,362	2,152,497
<i>Investments:</i>				
Investments	57,651,940,025	2,867,592,677	37,467,668,032	-
Collateral on loaned securities	174,487,304	-	-	-
<i>Receivables:</i>				
Taxes receivable	-	-	-	54,980,971
Intergovernmental receivables	164,877,640	-	2,865	268
Accrued interest and dividends	156,252,778	6,685,740	690,504	-
Other receivables	4,425,738	-	-	95,148
Contributions receivables	-	-	25,489,661	-
Pending trades receivable	722,265,632	12,734,433	13,168,983	-
Due from other funds	25,721,150	-	119,716	762,123,653
Due from fiduciary funds	-	-	-	952
Other assets	4,769,353	-	-	-
Furniture and equipment	48,629,942	-	48,222	-
Less accumulated depreciation/amortization	(43,481,270)	-	(48,222)	-
<b>Total assets</b>	<b>59,618,863,318</b>	<b>2,893,605,935</b>	<b>37,557,766,747</b>	<b>983,895,764</b>
<b>Liabilities</b>				
<i>Accounts payable and accruals:</i>				
Accounts payable	39,553,034	63,333	5,262,213	1,910,025
Intergovernmental payables	-	2,221	-	899,079,201
Redemptions payable	-	-	17,883,923	-
Pending trades payable	755,088,270	13,725,519	14,503,261	-
Bank overdraft	-	-	2,542,000	-
Obligations under securities lending	174,487,304	-	-	-
Due to other funds	12,104,243	4,866	1,340,694	-
Due to fiduciary funds	-	-	952	-
<i>Other liabilities:</i>				
Other liabilities	102,028	38,619	-	-
<b>Total liabilities</b>	<b>981,334,879</b>	<b>13,834,558</b>	<b>41,533,043</b>	<b>900,989,226</b>
<b>Net Position</b>				
<i>Restricted for:</i>				
Pension benefits	58,647,496,267	-	-	-
OPEB benefits	(9,967,828)	-	-	-
Pool participants	-	2,879,771,377	-	-
Individuals and other governments	-	-	37,516,233,704	82,906,538
<b>Total net position</b>	<b>\$ 58,637,528,439</b>	<b>\$ 2,879,771,377</b>	<b>\$ 37,516,233,704</b>	<b>\$ 82,906,538</b>

The notes to the financial statements are an integral part of this statement.

For the Fiscal Year Ended June 30, 2021

	Pension and Other Employee Benefits Trust Funds	Investment Trust Funds	Private purpose trust funds	Custodial Funds
<b>Additions</b>				
<i>Contributions:</i>				
Employer	\$ 1,101,422,323	\$ -	\$ -	\$ -
Plan members	1,052,193,236	-	-	-
Participants	-	-	3,472,046,770	-
Repayment and purchase of service	70,144,749	-	-	-
<b>Total contributions</b>	<b>2,223,760,308</b>	<b>-</b>	<b>3,472,046,770</b>	<b>-</b>
<i>Investment income:</i>				
Net increase (decrease) in fair value of investments	11,751,395,066	149,443,415	6,138,106,769	-
Interest, dividends	825,569,774	20,726,260	779,996,007	(929)
Securities lending	3,183,489	-	-	-
Other	126,075,176	-	-	-
	12,706,223,505	170,169,675	6,918,102,776	(929)
Less investment expense:				
Other	(63,642,387)	(105,998)	-	-
<b>Net investment income</b>	<b>12,642,581,118</b>	<b>170,063,677</b>	<b>6,918,102,776</b>	<b>(929)</b>
<i>Other:</i>				
Investment from local governments	-	2,617,679,615	-	-
Taxes and fees collected for other governments	-	-	-	4,744,958,512
Child support collections	-	-	-	235,019,457
Other	3,346,487	139	-	79,172,996
<b>Total other</b>	<b>3,346,487</b>	<b>2,617,679,754</b>	<b>-</b>	<b>5,059,150,965</b>
<b>Total additions</b>	<b>14,869,687,913</b>	<b>2,787,743,431</b>	<b>10,390,149,546</b>	<b>5,059,150,036</b>
<b>Deductions</b>				
Principal redeemed	-	2,307,055,974	1,963,570,549	-
Benefit payments	3,060,212,796	-	23,187,001	137,113
Refunds	30,272,862	-	-	-
Contribution distributions	4,424,263	2,287,614	-	-
Administrative expense	12,751,308	553,428	43,057,684	-
Payment of taxes and fees to other governments	-	-	-	4,744,381,530
Child support payments	-	-	-	237,777,012
Restitution payments	-	-	-	2,751,086
<b>Total deductions</b>	<b>3,107,661,229</b>	<b>2,309,897,016</b>	<b>2,029,815,234</b>	<b>4,985,046,741</b>
Change in net position	11,762,026,684	477,846,415	8,360,334,312	74,103,295
Net position, July 1	46,875,501,755	2,401,924,962	29,155,899,392	8,803,243
<b>Net position, June 30</b>	<b>\$ 58,637,528,439</b>	<b>\$ 2,879,771,377</b>	<b>\$ 37,516,233,704</b>	<b>\$ 82,906,538</b>

The notes to the financial statements are an integral part of this statement.

# Combining Statement of Net Position

## Discretely Presented Component Units

June 30, 2021

	Major Component Units		Nonmajor Component Unit	
	Colorado River Commission	Nevada System of Higher Education	Nevada Capital Investment Corporation	Total
<b>Assets</b>				
Cash and pooled investments	\$ 18,124,112	\$ 206,520,000	\$ -	\$ 224,644,112
Investments	-	1,779,805,000	29,413,219	1,809,218,219
Due from primary government	51,369	34,039,568	-	34,090,937
Accounts receivable	1,781,509	82,135,432	-	83,916,941
Intergovernmental receivables	-	146,824,000	-	146,824,000
Accrued interest and dividends	51,209	-	12,500	63,709
Notes/loans receivable	-	5,926,000	-	5,926,000
Other receivables	-	10,428,000	-	10,428,000
Inventory	-	9,970,000	-	9,970,000
Prepaid expenses	25,367,739	-	-	25,367,739
<i>Restricted assets:</i>				
Cash	2,608,606	65,740,000	-	68,348,606
Investments	-	17,771,000	-	17,771,000
Other assets	-	85,907,000	-	85,907,000
<i>Capital assets:</i>				
Land, infrastructure and construction in progress	-	303,399,000	-	303,399,000
Other capital assets, net	43,196,688	2,248,352,000	-	2,291,548,688
<b>Total assets</b>	<b>91,181,232</b>	<b>4,996,817,000</b>	<b>29,425,719</b>	<b>5,117,423,951</b>
<b>Deferred Outflows of Resources</b>				
Deferred charge on refunding	-	10,261,000	-	10,261,000
Pension related amounts	963,009	71,830,000	-	72,793,009
OPEB related amounts	274,544	64,434,000	-	64,708,544
<b>Total deferred outflows of resources</b>	<b>1,237,553</b>	<b>146,525,000</b>	<b>-</b>	<b>147,762,553</b>
<b>Liabilities</b>				
Accounts payable	2,588,950	53,177,352	-	55,766,302
Accrued payroll and related liabilities	179,310	95,217,000	-	95,396,310
Interest payable	256,223	13,479,000	-	13,735,223
Due to primary government	38,060	350,648	23,180,454	23,569,162
Unearned revenues	3,338,383	73,721,000	-	77,059,383
Other liabilities	2,657,747	29,350,000	-	32,007,747
<i>Long-term liabilities:</i>				
<i>Portion due or payable within one year:</i>				
Obligations under capital leases	-	2,860,000	-	2,860,000
Compensated absences	367,787	42,108,000	-	42,475,787
Bonds payable	770,000	42,459,000	-	43,229,000
<i>Portion due or payable after one year:</i>				
Federal advances	-	4,523,000	-	4,523,000
Obligations under capital leases	-	46,559,000	-	46,559,000
Net pension liability	6,151,790	424,237,000	-	430,388,790
Net OPEB liability	2,376,085	606,769,000	-	609,145,085
Compensated absences	220,030	29,256,000	-	29,476,030
Bonds payable	25,083,114	679,454,000	-	704,537,114
Unearned revenue	40,288,217	-	-	40,288,217
<b>Total liabilities</b>	<b>84,315,696</b>	<b>2,143,520,000</b>	<b>23,180,454</b>	<b>2,251,016,150</b>
<b>Deferred Inflows of Resources</b>				
Lease revenue	-	6,449,000	-	6,449,000
Split-interest agreements	-	7,206,000	-	7,206,000
Service concession arrangement	-	1,531,000	-	1,531,000
Pension related amounts	375,761	21,505,000	-	21,880,761
OPEB related amounts	168,745	43,090,000	-	43,258,745
<b>Total deferred inflows of resources</b>	<b>544,506</b>	<b>79,781,000</b>	<b>-</b>	<b>80,325,506</b>
<b>Net Position</b>				
Net investment in capital assets	43,196,688	1,839,675,000	-	1,882,871,688
<i>Restricted for:</i>				
Capital projects	-	81,197,000	-	81,197,000
Debt service	-	34,378,000	-	34,378,000
Scholarships	-	697,549,000	-	697,549,000
Loans	-	7,071,000	-	7,071,000
Education - K to 12	-	-	6,245,265	6,245,265
Research and development	12,080,900	-	-	12,080,900
Other purposes	-	7,148,000	-	7,148,000
Funds held as permanent investments:				
Nonexpendable	-	462,488,000	-	462,488,000
Unrestricted (deficit)	(47,719,005)	(209,465,000)	-	(257,184,005)
<b>Total net position</b>	<b>\$ 7,558,583</b>	<b>\$ 2,920,041,000</b>	<b>\$ 6,245,265</b>	<b>\$ 2,933,844,848</b>

The notes to the financial statements are an integral part of this statement.

# Combining Statement of Activities

## Discretely Presented Component Units

For the Fiscal Year Ended June 30, 2021

	Major Component Units		Nonmajor Component Unit	
	Colorado River Commission	Nevada System of Higher Education	Nevada Capital Investment Corporation	Total
Expenses	\$ 39,242,670	\$ 1,987,823,000	\$ 1,728,136	\$ 2,028,793,806
<i>Program revenue:</i>				
Charges for services	39,082,427	693,630,000	-	732,712,427
Operating grants and contributions	-	689,210,000	-	689,210,000
Capital grants and contributions	-	1,030,000	-	1,030,000
<b>Total program revenue</b>	<b>39,082,427</b>	<b>1,383,870,000</b>	<b>-</b>	<b>1,422,952,427</b>
<i>General revenues:</i>				
Unrestricted investment earnings	(71,913)	357,141,000	4,292,470	361,361,557
Gain on sale of assets	6,420	2,141,000	-	2,147,420
Other general revenues	146,263	17,401,000	-	17,547,263
Contributions to permanent funds	-	12,870,000	-	12,870,000
Payments from State of Nevada	-	664,448,801	-	664,448,801
<b>Total general revenues, contributions and payments</b>	<b>80,770</b>	<b>1,054,001,801</b>	<b>4,292,470</b>	<b>1,058,375,041</b>
Change in net position	(79,473)	450,048,801	2,564,334	452,533,662
Net position, July 1	7,638,056	2,628,396,000	3,680,931	2,639,714,987
Net position restatement	-	(158,403,801)	-	(158,403,801)
Net position, July 1 (as restated)	7,638,056	2,469,992,199	3,680,931	2,481,311,186
<b>Net position, June 30</b>	<b>\$ 7,558,583</b>	<b>\$ 2,920,041,000</b>	<b>\$ 6,245,265</b>	<b>\$ 2,933,844,848</b>

The notes to the financial statements are an integral part of this statement.

## Notes to the Financial Statements

*For the Year Ended June 30, 2021*

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## Notes to the Financial Statements

For the Year Ended June 30, 2021

### 1. Summary of Significant Accounting Policies

The accompanying financial statements of the State of Nevada (the State) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

#### A. Description of Government-wide Financial Statements

The Government-wide Financial Statements, which consist of the Statement of Net Position and the Statement of Activities, report information on all non-fiduciary activities of the primary government and its component units. All fiduciary activities, including component units that are fiduciary in nature, are reported only in the fund financial statements. Primary government activities are distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

#### B. Reporting Entity

For financial reporting purposes, the State's reporting entity includes the "primary government" and its "component units." The primary government includes all funds, departments, agencies, and those authorities that are considered an integral part of the State's activities. Component units are legally separate organizations for which the State's elected officials are financially accountable. The State's component units have a June 30 year-end.

The GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and either: 1) the ability of the State to impose its will on that organization; or 2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the State. When the State does not appoint a voting majority of an organization's governing body, GASB requires inclusion in the reporting entity based on financial accountability if: 1) the organization is both fiscally dependent on the State and there is the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the State; or 2) it would be misleading to exclude the organization.

**Fiduciary Component Units:** The following fiduciary component units are legally separate from the State. The State is financially accountable for these organizations since it appoints the voting majority of the boards and is able to impose its will on them through the ability to remove appointed members of the organization's governing board. Since these component units are fiduciary in nature, they are included only in the fund financial statements with the primary government's fiduciary funds. Therefore, these component units are excluded from the government-wide financial statements.

The *Public Employees' Retirement System* (PERS), the *Legislators' Retirement System* (LRS) and the *Judicial Retirement System* (JRS) are administered by a seven-member board appointed by the Governor. PERS is the administrator of a cost-sharing, multiple-employer, defined benefit public employees' retirement system established to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earning capacities have been removed or substantially impaired by age or disability. LRS is the administrator of a single-employer public employees' defined benefit retirement system established to provide a reasonable base income to Legislators at retirement. JRS is the administrator of an agent multiple-employer public employees' defined benefit retirement system established to provide a reasonable base income to justices of the Supreme Court, district judges, municipal court judges, and justices of the peace at retirement.

The *Retirement Benefits Investment Fund* (RBIF) was created for the sole purpose of providing an investment vehicle for monies belonging to either the State or local government other post employment benefit trust funds. RBIF is administered by the Retirement Benefits Investment Board, which consists of the same members as the Public Employees' Retirement Board.

**Blended Component Unit:** The *Nevada Real Property Corporation* (NRPC) is a legally separate organization. The State is financially accountable for NRPC since it appoints the board of directors, and NRPC provides a financial benefit to the State by providing financing services. NRPC was incorporated to finance certain construction projects which include office buildings, a transitional residential facility and a warehouse, all financed by the issuance of certificates of participation. Upon completion of

## Notes to the Financial Statements

*For the Year Ended June 30, 2021*

construction, the NRPC leases the facilities to the State. Since the NRPC provides financing services solely to the State, these financial transactions are reported as part of the primary government using the blended method.

**Discretely Presented Component Units:** A component unit should be included in the reporting entity financial statements using the discrete presentation method if the component unit's governing body is not substantively the same as the governing body of the primary government, the component unit does not provide services entirely or almost entirely to the primary government, and the component unit's total debt outstanding is not expected to be repaid entirely or almost entirely with resources of the primary government. The following discretely presented component units meet these criteria and are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the State.

The *Nevada System of Higher Education* (NSHE) is a legally separate organization consisting of the institutions of public higher education in Nevada, the NSHE Administration entity, and their component units. NSHE is governed by a Board of Regents elected by the voters. NSHE is considered to be fiscally dependent on the primary government since the State can modify and approve their budgets. In addition, NSHE imposes a financial burden on the primary government since the State provides financial support to NSHE through annual operating and capital appropriations.

The *Colorado River Commission* (CRC) is a legally separate organization responsible for managing Nevada's interests in the water and power resources available from the Colorado River. It is governed by seven commissioners, a majority of whom are appointed by the State: four are appointed by the Governor and three are appointed by the board of directors of the Southern Nevada Water Authority. The State is financially accountable for CRC since bonds issued by the CRC are backed by the full faith and credit of the State of Nevada, which creates the potential for a financial burden to the State. CRC provides services to citizens through the distribution and sale of electric power.

The *Nevada Capital Investment Corporation* (NCIC) is a legally separate organization whose board of directors consists of the State Treasurer, who serves as the chair; five members that are appointed by the primary government; and the Chancellor of NSHE, or his designee. Up to five additional members of the board may be chosen who are direct investors of the corporation. The NCIC is an independent corporation for public benefit, the general purpose of which is to act as a limited partner, shareholder or member to provide private equity funding to businesses located in or seeking to locate in Nevada, and engage in certain industries. The amount invested in the NCIC is not to exceed \$50 million from the State Permanent School Fund. The State is financially accountable for NCIC since it is able to impose its will through veto power by the State Treasurer.

Complete financial statements for each of the individual component units, with the exception of the *Nevada Real Property Corporation*, which has no other financial activity than that previously described, may be obtained at that organization's administrative offices:

*Public Employees' Retirement System*

*Carson City, NV*

*Legislators' Retirement System*

*Carson City, NV*

*Judicial Retirement System*

*Carson City, NV*

*Retirement Benefits Investment Fund*

*Carson City, NV*

*Nevada System of Higher Education*

*Reno, NV*

*Colorado River Commission*

*Las Vegas, NV*

*Nevada Capital Investment Corporation*

*Carson City, NV*

**Related Organizations:** The Governor is responsible for appointing the members of many boards and commissions. The State's accountability for these entities does not extend beyond making the appointments and thus these entities are excluded from this report. The State does not exercise financial or administrative control over the excluded boards and commissions.

## Notes to the Financial Statements

For the Year Ended June 30, 2021

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### C. Basis of Presentation

**Government-wide Financial Statements:** While separate government-wide and fund financial statements are presented, they are interrelated. On the government-wide financial statements, the governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As discussed earlier, the State has three discretely presented component units which are shown in a single column in the government-wide financial statements.

In general, the effect of interfund activity has been removed from the government-wide financial statements. Overhead costs have been removed to minimize the double counting of internal activities, but interfund services provided and used have been retained, as their elimination would distort the measurement of the cost of individual functional activities. Internal activities of a reimbursement type nature reduce the expenses of the reimbursed programs. Certain centralized costs have been included as part of the program expenses reported for the various functions and activities. The net amount of interfund receivables and payables between governmental activities and business-type activities are reported as internal balances on the government-wide statement of net position. The net amount of transfers between governmental activities and business-type activities are reported as transfers on the government-wide statement of activities.

**Fund Financial Statements:** The fund financial statements provide information about the government's funds, including its fiduciary and blended component units. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

The State reports the following major governmental funds:

*General Fund* – this is the State's primary operating fund. It accounts for all financial resources of the general government except those accounted for in another fund.

*State Highway Fund* - accounts for the maintenance, regulation, and construction of public highways and is funded through vehicle fuel taxes, federal funds, and other charges.

The State reports the following major enterprise funds:

*Higher Education Tuition Trust Fund* – accounts for the State program to assist Nevada residents in locking in the cost of future higher education expenses for Nevada colleges and universities. This program is financed through the sale of prepaid tuition contracts.

*Housing Division Fund* - accounts for the State program to assist private lenders in providing low interest housing loans to low- and moderate-income households. This program is financed through the sale of bonds.

*Unemployment Compensation Fund* - accounts for the payment of unemployment compensation benefits.

*Water Projects Loans Fund* - accounts for revenues and expenses associated with operating a revolving fund to finance local government pollution control projects, and with operating revolving and set-aside program funds to finance local public water systems' safe drinking water projects.

Additionally, the State reports the following fund types:

*Internal Service Funds* - provides goods or services primarily to other agencies or funds of the State rather than to the general public. These goods and services include accounting, communications, information technology, fleet services, personnel, printing, property management, purchasing and risk management. In the government-wide statements, internal service funds are included with governmental activities.

*Pension and Other Employee Benefit Trust Funds* - report resources that are required to be held in trust for the members and beneficiaries of the State's defined benefit pension plans and other post-employment benefit plans.

*Investment Trust Funds* - report resources received from local governments that are either pooled in an external investment portfolio for the benefit of all participants or separated into subaccounts of identified investments allocated to specific



## Notes to the Financial Statements

*For the Year Ended June 30, 2021*

participating local governments. Examples include the Local Government Investment Pool, the Nevada Enhanced Savings Term and the Retirement Benefits Investment Fund.

*Private Purpose Trust Funds* - report resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments. Examples include the Prisoners' Personal Property and the Nevada College Savings Plan.

*Custodial Funds* - report fiduciary activities not held in a trust or equivalent arrangement. Examples include motor vehicle and child support disbursement.

### **D. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual; that is, when they become both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The State considers revenues to be available if they are collected within 60 days after year-end. Those revenues susceptible to accrual are gaming revenues, sales taxes, other taxes as described in Note 14, interest revenue and charges for services. Fines and permit revenues are not susceptible to accrual because they are generally not measurable until received in cash.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments are recorded only when payment is due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

The proprietary, pension and other employee benefit trust, investment trust, private-purpose trust and custodial funds are reported using the economic resources measurement focus and the accrual basis of accounting.

### **E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance**

*Cash and Pooled Investments* - The State Treasurer manages a cash pool where all temporary surplus cash is invested. These investments are reported on the Statement of Net Position and Balance Sheet as cash and pooled investments. Earnings from these pooled investments are credited to the General Fund and certain other funds that have specific statutory authority to receive a prorated share based on daily cash balances. Also included in this category is cash held by departments as petty cash funds and in bank accounts, outside the Treasurer's cash management pool. The operations and investments of the cash pool are described in Note 3.

Cash and cash equivalents are defined as bank accounts, petty cash, money market demand accounts and certificates of deposit with original maturities of three months or less. Cash and cash equivalents are reported in the Statement of Cash Flows for proprietary fund types.

*Investments* - Investments are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Short-term investments are generally reported at cost, which approximates fair value, except for the short-term investments of the Nevada College Savings Plan that are valued at amortized cost, which approximates fair value. Securities, traded on a national or international exchange, are valued at the last reported sale price at current exchange rates. Fixed income securities are valued based on yields currently available on comparable securities of issuers with similar credit ratings. The fair value of real estate investments is established by independent third party valuation firm in conjunction with Member Appraisal Institute (MAI) independent appraisals. Investments that do not have an established market are reported at estimated fair value.

## Notes to the Financial Statements

For the Year Ended June 30, 2021

The Local Government Investment Pool, the Nevada Enhanced Savings Term Investment Trust and the Retirement Benefits Investment Fund are reported as investment trust funds. The investments of the Local Government Investment Pool and the Nevada Enhanced Savings Term Investment Trust are subject to the general limitations of NRS 355.170. The investments of the Retirement Benefits Investment Fund are governed by the prudent person standard, as set forth by NRS 286.682. Security transactions are accounted for on the trade date (the date the order to buy or sell is executed). Interest income is determined on an accrual basis with discounts earned and premiums paid being amortized. Realized gains and losses, if any, on sales of securities are calculated using the amortized cost basis at the date of sale. The fair value of the position in the pool is the same as the value of the pool shares. The Bank of New York Mellon is the custodian and transfer agent for the Local Government Investment Pool, the Nevada Enhanced Savings Term Investment Trust and the Retirement Benefits Investment Fund.

*Receivables* - Receivables represent amounts due to the State at June 30, which will be collected sometime in the future. In the government-wide financial statements, a corresponding amount is recorded as revenue. In the governmental fund financial statements, the portions considered "available" (i.e., received by the State within approximately 60 days after year-end) are recorded as revenue; the remainder is recorded as deferred inflows of resources, unavailable revenue. Receivables in proprietary fund types have arisen in the ordinary course of business. All receivables are shown net of an allowance for uncollectible accounts. Significant receivable balances not expected to be collected within one year are presented in Note 4.

*Interfund Transactions* - The State has two types of interfund transactions:

1. Services rendered and employee benefit contributions are accounted for as revenues, expenditures/expenses in the funds involved.
2. Operating appropriations and subsidies are accounted for as transfers in the funds involved.

Due from/due to other funds and transfers are presented in Note 5.

*Inventories* - In general, inventories in governmental funds are recorded as expenditures when purchased; however, certain inventories in the General Fund, the Highway Fund, and nonmajor governmental funds are recorded as expenditures at the time individual inventory items are consumed. Inventories are stated at cost on the first-in, first-out basis. Inventory items in the governmental funds are offset by nonspendable fund balance to indicate that they will not be converted to cash.

*Prepaid Items* - Prepaid items reflect payments for costs applicable to future accounting periods and are recorded in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. Prepaid items in the governmental funds are offset by nonspendable fund balance to indicate that they will not be converted to cash.

*Advances to Other Funds* - Long-term interfund advances are recorded by the advancing fund as a receivable. These amounts are reported in the nonspendable fund balance in the General Fund to maintain the accountability and to disclose properly the amount available for appropriation. In other governmental funds this amount will be reported in restricted, committed, or assigned fund balances. Repayments are credited to the receivable and corresponding reductions are made in the appropriate fund balance. A summary of interfund advances is presented in Note 5.

*Capital Assets and Depreciation* - An inventory of State-owned land, buildings and equipment was developed in 1985. All capital assets are recorded in the Statement of Net Position at historical cost or estimated historical cost, based on acquisition of comparable property or agency records, if actual historical cost is not available. Donated capital assets are stated at acquisition value at time of donation. The government defines capital assets as assets with a unit cost of \$5,000 or more for furniture and equipment, or \$500,000 or more for buildings and improvements or \$1,000,000 or more for internally generated software, and an estimated useful life in excess of one year. Interest incurred during construction is only capitalized in proprietary funds.

Most capital assets are depreciated principally on a straight-line basis over estimated useful lives of 40 years for structures and 3 to 30 years for improvements, furniture and equipment. The State's significant infrastructure assets utilize the modified approach in which costs to maintain and preserve these assets are expensed and no depreciation expense is recorded. This approach is discussed further in the Required Supplementary Information portion of this report.

## Notes to the Financial Statements

For the Year Ended June 30, 2021

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In the Nevada System of Higher Education, capital assets are defined as assets with an initial unit cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are stated at cost at the date of acquisition. Collections are capitalized at the acquisition value at the date of donation. Depreciation is computed on a straight-line basis over estimated useful lives of 40 years for buildings, 10 to 15 years for land improvements and 3 to 11 years for library books, machinery and equipment. Additional disclosure related to capital assets is provided in Note 7.

*Compensated Absences* – A liability for compensated absences relating to services already rendered and that are not contingent on a specified event is accrued as employees earn the rights to the benefits. Compensated absences relating to future services or that are contingent on a specified event will be accounted for in the period those services are rendered or those events take place. Proprietary fund types report accrued compensated absences as liabilities in the appropriate funds. Governmental funds report a liability and expenditure for compensated absences only if the liability has matured as a result of employee resignations or retirements. Thus no expenditure would be recognized in governmental funds for the unpaid balance of compensated absences for employees still in active service at the end of the reporting period. On the Statement of Net Position, the accrued compensated absences for both proprietary and governmental fund types is reported.

*Long-Term Obligations* - In the government-wide statements and proprietary fund financial statements, long-term debt and other long-term liabilities are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures. Long-Term Obligations are more fully described in Note 9.

*Deferred Outflows/Inflows of Resources* – In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources, which represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. An example is the deferred charge on refunding which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources, which represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. An example is unavailable revenue, reported in the governmental funds balance sheet when revenue is measurable but not available. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

*Net Position/Fund Balance* - The difference between fund assets, deferred outflows of resources, liabilities and deferred inflows of resources is “Net Position” on the government-wide, proprietary and fiduciary fund statements, and “Fund Balance” on governmental fund statements.

In governmental fund financial statements, fund balances are classified based primarily on the extent to which the State is bound to observe constraints imposed upon the use of the resources in the fund as follows:

1. Nonspendable fund balance includes items that cannot be spent because they are either not in spendable form (such as inventories, prepaid amounts and the long-term portion of loans/notes receivables) or legally or contractually required to be maintained intact (such as the principal of a permanent fund).
2. Restricted fund balances have constraints placed upon the use of the resources either by an external party or imposed by law through constitutional provisions or enabling legislation.
3. Committed fund balances can be used only for specific purposes pursuant to constraints imposed by a formal action of the government’s highest level of decision-making authority, the Nevada Legislature, through legislation passed into law.
4. Assigned fund balance includes amounts that are constrained by the government’s intent to be used for a specific purpose, but are neither restricted nor committed. Assignments of fund balance are created by the executive branch.
5. Unassigned fund balance is the residual amount of the General Fund not included in the four categories above. Also, any deficit fund balances within the other governmental fund types are reported as unassigned.

## Notes to the Financial Statements

*For the Year Ended June 30, 2021*

Each fund has been analyzed for proper classification of fund balance. Funds are created by the Legislature and money is authorized to be transferred to the fund for a particular purpose. Balances in the Legislatively created funds are at least committed, and may be further restricted depending on whether there is an external party, constitutional provision, or enabling legislation constraint involved. Note 13 provides a disaggregation of governmental fund balances, nonspendable, restricted, committed, and unassigned.

*Net Position/Fund Balance Flow Assumptions* - The State's policy is to spend restricted amounts first when an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available. Therefore, restricted net position/fund balance is depleted before using unrestricted net position/fund balance. In governmental funds, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, the assumed order of spending is first committed, assigned and then unassigned.

*Minimum Fund Balance Policy* - NRS 353.213(3) requires that the proposed budget for each fiscal year of the biennium provide for a reserve of not less than 5% or more than 10% of the total of all proposed appropriations from the State General Fund for the operation of all departments, institutions and agencies of the State and authorized expenditures from the State General Fund for the regulation of gaming for that fiscal year.

*Stabilization Arrangement* - NRS 353.288 provides for the Account to Stabilize the Operation of the State Government (Stabilization Account) in the State General Fund. Additions to the stabilization arrangement are triggered at the end of a fiscal year if the General Fund unrestricted fund balance (budgetary basis) exceeds 7% of General Fund operating appropriations. Forty percent of the excess is deposited to the Stabilization Account, and is classified on the balance sheet as committed for fiscal emergency. Additionally, commencing with the fiscal year that began on July 1, 2017, 1% of the total anticipated revenue for the fiscal year in which the transfer will be made as projected by the Economic Forum for that fiscal year, is also deposited to the Stabilization Account. Expenditures may occur if actual revenues for the biennium fall short by 5% or more from anticipated revenues, if the Legislature and Governor declare that a fiscal emergency exists or if the Legislature allocates it to be used for any other purpose. The balance in the Stabilization Account committed for fiscal emergency at June 30, 2021 is \$393,369,394.

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

*Postemployment Benefits Other than Pensions (OPEB)* - For purposes of measuring the State's net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State's OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Plan assets are reported at fair value.

### **F. Revenues and Expenditures/Expenses**

*Program Revenues* - In the government-wide statement of activities, program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are instead reported as general revenues.

*Property Taxes* - Property taxes are recognized as revenues in the year for which they are levied. Property taxes are levied July 1 on property values assessed by the prior January 1. Property tax billings are payable in quarterly installments on the third Monday in August and the first Monday in October, January and March, after which time the bill is delinquent.

*Grants* - The State participates in various federal award programs which are received in both cash and noncash forms. Grants and other entitlements are recognized as revenues when all eligibility requirements are met, including any time requirements, and the amount is received within 60 days after year-end. Federal reimbursement type grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received within 60 days after year-end. Certain grants have matching requirements in which the State must contribute a proportionate

## Notes to the Financial Statements

For the Year Ended June 30, 2021

share of the total costs of a program. Use of grant resources is conditioned upon compliance with terms of the grant agreements and applicable federal regulations, which include subjecting grants to financial and compliance audits.

*Proprietary Funds Operating and Nonoperating Revenues and Expenses* - Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal, ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

## 2. Budgetary and Legal Compliance

### Budgetary Process and Control

The Governor must submit his proposed budget for the Executive Branch to the State Legislature not later than 14 calendar days before each regular session, which convenes every odd-numbered year. The presented budget spans the next two fiscal years and contains the detailed budgetary estimates of revenues and expenditures. The Legislature enacts the budget through passage of the General Appropriations Act, which allows expenditures from unrestricted revenues, and the Authorized Expenditures Act, which allows expenditures from revenues collected for specific purposes. Once passed and signed, the budget becomes the State's financial plan for the next two fiscal years.

The legal level of budgetary control, the level at which appropriations are approved and the level at which over-expenditure of appropriations or transfers of appropriated amounts may not occur without Legislative action, is at the total program level within each department or agency.

Limited budgetary revisions may be made without Legislative action through the following management/administrative procedures. After obtaining the approval of the Governor, or his designee, the Budget Director, Legislative Interim Finance Committee (LIFC) approval is required of those revisions in excess of \$30,000 which have the effect, when taken into consideration with all other changes during the fiscal year, of increasing or decreasing any legislatively approved expenditure level by 10% or \$75,000, whichever is less. Revisions not exceeding this threshold require only Budget Director approval. The LIFC approval is not equivalent to governing body approval, as total appropriations for a program may not be increased except as follows. The Legislature appropriates limited funds to the Contingency Account, in the General Fund, which may be allocated to programs by the LIFC upon recommendation of the Board of Examiners. Allocations totaling \$20,635,004 were made in the 2021 fiscal year. Unencumbered appropriations lapse at the end of each fiscal year unless specific authority to carry forward is granted in the Appropriations Act. Unexpended authorized resources, under the Authorized Expenditures Act, are carried forward for expenditure in the next fiscal period.

Budgets are legally adopted for the General Fund and Special Revenue Funds, except for the Nevada Real Property Corporation special revenue fund. In addition, certain activity within such funds may be unbudgeted. The State's budget is prepared principally on a modified accrual basis with the following exceptions:

1. Cash placed in petty cash funds or outside bank accounts is considered expended for budgetary purposes.
2. Advances to other funds are considered expenditures. Repayments of such advances are considered revenues.
3. Certain assets, such as prepaid items, are considered expended for budgetary purposes. Inventory is an expenditure for budgetary purposes. Certain unearned revenue is considered revenue for budgetary purposes.
4. Expenditures are only recognized if the liability is liquidated within 45 days after the fiscal year end.
5. Revenue from grants is only recognized when it is received in cash.
6. Encumbrances for goods or services not received by fiscal year-end are considered an expenditure of the current period if received and paid within 45 days.

The Budgetary Comparison Schedule is presented as Required Supplementary Information (RSI) in this report. Actual amounts in this schedule are presented on a budgetary basis. Because this basis differs from accounting principles generally accepted in the United States of America (GAAP), a reconciliation between the budgetary and GAAP basis is presented in the RSI.

## Notes to the Financial Statements

For the Year Ended June 30, 2021

### 3. Deposits and Investments

The Nevada Revised Statutes (NRS) and Nevada Administrative Code, as well as procedures approved by the State Board of Finance, govern deposits and investing activities for the primary government, fiduciary funds and its discretely presented component units which are not expressly required by law to be received and kept by another party. NRS 226.110(3) further requires that the Office of the State Treasurer shall establish the policies to be followed in the investment of money of the State of Nevada.

#### A. Deposits

*Primary Government and Fiduciary Funds* - The State minimizes its custodial credit risk by legislation establishing a program to monitor a collateral pool for public deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the State's deposits may not be recovered. NRS 356 directs the Office of the State Treasurer to deposit funds into any state, or national bank, credit union or savings and loan association covered by federal depository insurance. For those deposits over and above the federal depository insurance maximum balance, sufficient collateral must be held by the financial institution to protect the State of Nevada against loss. The pooled collateral for deposits program maintains a 102% pledged collateral for all public deposits. As of June 30, 2021, cash in bank was \$459,094,816 of which \$336,420,979 was collateralized and \$117,627,597 was uncollateralized and uninsured. Cash in bank includes \$89,072 which is insured by American Share Insurance which is not FDIC.

*Component Units* - Cash and cash equivalents of the Nevada System of Higher Education (NSHE) are stated at cost, which approximates market, and consist of deposits in money market funds, which are not federally insured, and cash in the bank. At June 30, 2021 NSHE's deposits in money market funds totaled \$113,971,000 and cash in bank was \$51,575,000. Of these balances, \$250,000 are covered by the Federal Depository Insurance Corporation (FDIC); the remaining deposits are uncollateralized and uninsured.

#### B. Investments

NRS 355.140 details the types of securities in which the State may invest. In general, authorized investments include: certificates of deposit, asset-backed securities, bankers' acceptances and commercial paper, collateralized mortgage obligations, corporate notes, municipal bonds, money market mutual funds whose policies meet the criteria set forth in the statute, United States treasury securities, and specific securities implicitly guaranteed by the federal government. Additionally, the State may invest in limited types of repurchase agreements; however, statutes generally prohibit the State from entering into reverse-repurchase agreements. The State's Permanent School Fund is further limited by statute as to the types of investments in which it may invest (NRS 355.060). Cash and Investments are also discussed in Note 1 under Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance.

The State Board of Finance reviews the State's investment policies at least every four months. The Board is comprised of the Governor, the State Controller, the State Treasurer and two members appointed by the governor, one of which must be actively engaged in commercial banking in the State.

Investments held in the Local Government Investment Pool (LGIP), Retirement Benefits Investment Fund (RBIF), and Nevada Enhanced Savings Term (NVEST) are specifically identifiable investment securities and are included in the following tables. LGIP, RBIF, and NVEST are investment trust funds and discussed further in Note 1, Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance. LGIP and NVEST are governed by the Nevada State Board of Finance and administered by the Nevada State Treasurer. Complete financial statements for LGIP may be obtained from the State Treasurer's Office, 101 N. Carson Street, Suite 4, Carson City, NV 89701. RBIF is administered by the Retirement Benefits Investment Board. The audited financial statements of RBIF may be obtained from the Public Employees' Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

The College Savings Plan of Nevada was created under Title 31, Chapter 353B of the Nevada Revised Statutes, as amended, to encourage individuals and families to save for future costs of higher education. The plan is designed to qualify for treatment as a qualified tuition program under Section 529 of the Internal Revenue Code of 1986, as amended, and any regulations and other guidance issued thereunder. Plan assets are held for the benefit of account owners and their designated beneficiaries in the Nevada College Savings Trust. The Board of Trustees is responsible for the overall administration of the program, subject to implementing regulations set forth in the Nevada Administration Code. Pursuant to NRS 353B.005 the Board of Trustees

## Notes to the Financial Statements

For the Year Ended June 30, 2021

consists of five members, the State Treasurer, who may name a designee to serve on the Board on his or her behalf; the Director of the Office of Finance, or designee; the Chancellor of the System, or a designee; and two members appointed by the Governor. The State of Nevada, acting through the Board of the College Savings Plan, and acting by and through its Administrator, the State Treasurer, offers and administers the various plans.

**Interest Rate Risk:** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

*Primary Government and Fiduciary Funds* - The State minimizes interest rate risk by maintaining an effective duration of less than 1.5 years and holding at least 25% of the portfolio's total market value in securities with a maturity of 12 months or less. However, the benchmark used by the State Treasurer to determine whether competitive market yields are being achieved is the 90 day U.S. Treasury Bill's average over the previous three month period (Rolling 90 day T-Bill). Investment policies for the pension and other employee benefit trust funds authorize all securities within the Barclays Aggregate Index benchmark. If securities are purchased outside the Barclays U.S. Treasury Index, they must be of investment grade rating by at least two of the following: Moody's, Standard & Poor's or Fitch (BBB- or better by Standard & Poor's/Fitch, Baa3 or better by Moody's) except those issued or guaranteed by the U.S. Government or its agencies. The following table provides information about the interest rate risks associated with the State's investments as of June 30, 2021 (expressed in thousands):

	Fair Value	Maturities in Years			
		Less Than 1	1-5	6-10	More Than 10
Asset backed corporate securities	\$ 180,606	\$ 23,883	\$ 12,941	\$ 13,634	\$ 130,148
Collateralized mortgage obligations	25,064	-	-	-	25,064
Commercial paper	2,090,941	2,090,503	438	-	-
Corporate bonds and notes	1,163,668	326,130	809,322	14,608	13,608
Investment agreements	35,535	-	35,535	-	-
Money market mutual funds	6,676,486	6,676,486	-	-	-
Negotiable certificate of deposit	1,812,342	1,809,683	2,659	-	-
Other investments	431,503	230,256	127,150	1,151	72,946
Short-term investments	132,106	129,536	2,570	-	-
U.S. agencies	729,355	279,434	204,335	45,610	199,976
U.S. Treasury securities	16,374,151	620,698	15,654,096	92,122	7,235
<b>Total</b>	<b>\$ 29,651,757</b>	<b>\$ 12,186,609</b>	<b>\$ 16,849,046</b>	<b>\$ 167,125</b>	<b>\$ 448,977</b>

The Nevada College Savings Plan, a private purpose trust, currently has no formal investment policy with regard to interest rate risk for the investments. The security portfolios held by Vanguard, USAA, Upromise, Putnam and Wealthfront have various maturities from 49 days to 13.84 years and are included in the table above.

*Component Unit* – The Nevada System of Higher Education's (NSHE) policy for reducing its exposure to interest rate risk is to have an average investment life of at least two years for fixed income securities within both the endowment and operating investment pools. With regard to the trusts included in endowment investments, NSHE is not the trustee of these investments and, therefore, currently has no policies with regard to interest rate risk for these investments. Investments having interest rate risk are principally invested in mutual funds and private commingled funds. The following table provides the segmented time distribution for these investments at June 30, 2021 (expressed in thousands):

Less than 1 year	\$ 113,971
1 to 5 years	182,853
6 to 10 years	256,448
<b>Total</b>	<b>\$ 553,272</b>

**Credit Risk:** Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the State and custodial credit risk for investments is the risk that, in the event of failure of the counterparty to a transaction, the State will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

*Primary Government and Fiduciary Funds* - NRS 355.140, the State Treasurer's investment policy, and investment policies of the pension and other employee benefit trust and investment trust funds all address credit risk. A summary of the policies is presented as follows:

- Commercial paper, Negotiable Certificates of Deposit, and Bankers' Acceptances are rated by a nationally recognized rating

## Notes to the Financial Statements

For the Year Ended June 30, 2021

- service as “A-1,” “P-1” or its equivalent, or better,
- Notes, bonds and other unconditional obligations issued by corporations in the U.S. and municipal bonds (effective September 2011) are rated by a nationally recognized rating service as “A” or its equivalent, or better,
- Money market mutual funds are SEC registered 2(A)7 and rated by a nationally recognized rating service as “AAA” or its equivalent,
- Collateralized mortgage obligations and asset-backed securities are rated by a nationally recognized rating service as “AAA” or its equivalent,
- Repurchase agreements with banks or registered broker-dealers provided the agreement is collateralized by 102% with U.S. Treasuries or U.S. government agency securities on a delivery basis.

In addition to the above provisions, investment policies for the pension and other employee benefit trust funds allow investment in corporate bonds, assets related instruments, and foreign debt issued in the U.S. rated by at least two of the following: Moody’s, Standard & Poor’s, or Fitch (BBB- or better by Standard & Poor’s/Fitch, Baa3 or better by Moody’s). Investments having credit risk are included in the table below.

The State’s investments as of June 30, 2021 were rated by Standard & Poor’s and/or an equivalent national rating organization, and the ratings are presented below using the Standard & Poor’s rating scale (at fair value, expressed in thousands):

	Quality Rating						
	AAA	AA	A	BBB	BB	B	Unrated
Asset backed corporate securities	\$ 50,425	\$ 4,952	\$ 2,264	\$ 3,418	\$ 359	\$ 654	\$ 96,160
Collateralized mortgage obligations	21,608	3,456	-	-	-	-	-
Commercial paper	-	439	950,761	-	-	-	699,826
Corporate bonds and notes	19,964	168,990	686,460	282,515	2,742	-	2,997
Equity securities	-	-	-	-	-	-	36,904,593
Investment agreements	-	-	35,535	-	-	-	-
Money market mutual funds	279,866	-	-	-	-	-	6,396,620
Mutual funds and ETFs	-	-	-	-	-	-	33,214,730
Negotiable certificate of deposit	-	2,182	117,388	-	-	-	1,342,697
Other investments	142,264	7,613	4,683	-	-	-	258,979
Private equity	-	-	-	-	-	-	4,231,478
Real estate	-	-	-	-	-	-	2,626,656
Short-term investments	102,604	1,400	1,729	-	-	-	334
U.S. agencies	194,413	409,948	-	-	-	-	-
Total	\$ 811,144	\$ 598,980	\$ 1,798,820	\$ 285,933	\$ 3,101	\$ 654	\$ 85,775,070

The primary government holds \$16,374,151,524 in U.S. Treasuries. There is no credit risk assigned to U.S. Treasury securities as these are explicitly guaranteed by the U.S. Government.

Short-term ratings are generally assigned to securities that originally mature within 365 days. A short-term rating of A-1 is rated in the highest category by Standard and Poor with a plus sign (+) indicating that the obligor's capacity to meet its financial commitment is extremely strong. In general, an A-1+ rating is equivalent to AA - AAA long-term ratings, whereas an A-1 rating is generally equivalent to an A long-term rating. The State has short-term ratings that are included in the Quality Rating table above, as follows (at fair value, expressed in thousands):

	Short-term Ratings	
	A-1+	A-1
Asset backed corporate securities	\$ 22,374	\$ -
Commercial paper	179,939	259,976
Negotiable certificate of deposit	125,033	225,042
Other investments	60,360	-
Short-term investments	28,247	94,257
U.S. agencies	124,994	-
<b>Total</b>	<b>\$ 540,947</b>	<b>\$ 579,275</b>

**Component Unit** – The NSHE’s policy for reducing its exposure to credit risk is to maintain a weighted average credit rating of AA or better, and never below A, for investments with credit risk within both the endowment and operating investment pools. With regard to the trusts included in endowment investments, NSHE is not the trustee of these investments and therefore, it currently has no policies with regard to credit risk for these investments. The credit risk profile for NSHE operating and endowment investments at June 30, 2021 is as follows (at fair value, expressed in thousands):



## Notes to the Financial Statements

For the Year Ended June 30, 2021

	<u>Unrated</u>
Mutual funds publicly traded	\$ 521,209
Partnerships	81,775
Endowment cash/cash equivalents	167,922
Trust(s)	4,900
Private commingled funds	424,138
	<u>1,199,944</u>
Less: GBC Foundation Endowments	(9,669)
<b>Total</b>	<u><u>\$ 1,190,275</u></u>

**Concentration of Credit Risk:** Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issuer. The NRS 355.140, 355.060, and the State Treasurer's investment policy limit the investing in any one issuer to 5% of the total par value of the portfolio. At June 30, 2021, no individual investment exceeded 5% of the total portfolio of the primary government.

At June 30, 2021, the following investments exceeded 5% of the Higher Education Tuition Trust's total investments (expressed in thousands):

	<u>Fair Value</u>	<u>Percentage</u>
Federal Home Loan Mortgage Corp - Asset-Backed Mortgage Security	\$ 39,871	10.39%

The Housing Division currently places no limit on the amount it may invest in any one issuer provided their ratings are in the highest two general rating categories. However, the Housing Division monitors rating changes on all issuers. If warranted, more concentrated investments may have to be diluted to alternative investment providers. As of June 30, 2021, the Housing Division's investments in Fannie Mae and Ginnie Mae are 10.86% and 25.73% respectively, of the Housing Division's total investments. The Fannie Mae and Ginnie Mae investments are in mortgage backed securities matched to the interest rate and maturity of the underlying bonds. Because such investments are matched to concomitant liabilities, the Housing Division is less concerned about a concentration risk on these investments.

**Component Unit** - The Nevada Capital Investment Corporation (NCIC) owns 99% equity interest in Silver State Opportunities Fund LLC (SSOF), a Nevada limited liability company, and 99.9% equity interest in Accion 2017G, LLC, (which later changed its name to Dreamspring 2017G, LLC), a New Mexico limited liability company, for the purpose of obtaining income. At June 30, 2021 the investment in equity interest of SSOF and Dreamspring exceeded 5% of NCIC's total investments.

**Foreign Currency Risk:** Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit.

**Primary Government and Fiduciary Funds** - The primary government does not have a policy regarding foreign currency risk; however, the State Treasurer's office does not have any deposits or investments in foreign currency. The PERS, LRS, JRS, and RBIF do have foreign currency policies for deposit and investments, which may be used for portfolio diversification and hedging. Highly speculative positions in currency are not permitted. LRS and JRS had no exposure to foreign currency risk as of June 30, 2021. The following table summarizes the pension and investment trust funds' exposure to foreign currency risk in U.S. dollars as of June 30, 2021 (expressed in thousands):

## Notes to the Financial Statements

For the Year Ended June 30, 2021

Currency by Investment and Fair Value					
	Equity	Private Equity	Pending Transactions	Cash	Total
Australian Dollar	\$ 674,728	\$ -	\$ 100	\$ 820	\$ 675,648
British Pound Sterling	1,296,200	41,400	(1,100)	2,261	1,338,761
Canadian Dollar	1,070,739	-	(600)	947	1,071,086
Danish Krone	242,165	-	(100)	106	242,171
Euro	3,164,099	440,300	(1,900)	(93)	3,602,406
Hong Kong Dollar	286,925	-	(100)	964	287,789
Israeli Shekel	32,007	-	-	101	32,108
Japanese Yen	2,171,307	-	(3,000)	5,096	2,173,403
New Zealand Dollar	22,445	-	-	18	22,463
Norwegian Krone	58,958	-	(100)	203	59,061
Singapore Dollar	97,656	-	(100)	631	98,187
Swedish Krona	349,628	-	(200)	9	349,437
Swiss Franc	915,946	-	(1,000)	10	914,956
<b>Total</b>	<b>\$ 10,382,803</b>	<b>\$ 481,700</b>	<b>\$ (8,100)</b>	<b>\$ 11,073</b>	<b>\$ 10,867,476</b>

*Private Purpose Trust Fund* - Nevada College Savings Plan, a private purpose trust, currently has no formal investment policy with regard to foreign currency risk for the investments. The Plan consist of Vanguard College Savings Plan, USAA College Savings Plan, Upromise College Fund Plan, Putnam for America Plan, and Wealthfront College Savings Plan which all state that there are certain inherent risks involved when investing in international securities through mutual funds that are not present with investments in domestic securities, such as foreign currency exchange rate fluctuations, adverse political and economic developments and possible prevention or delay of currency exchange due to foreign governmental laws or restrictions. The investments held in Putnam for America Plan consist of the portfolios managed and sponsored by Putnam Investment Management, Putnam Mutual Funds, and non-Putnam Mutual Funds. Both mutual funds pose no foreign currency risk. The following table summarizes foreign currency risk for the GAA portfolios in U.S. dollars as of June 30, 2021 (expressed in thousands):

	Currency at Fair Value
Australian Dollar	\$ 1
British Pound	189
Euro	1
Hong Kong Dollar	221
Japanese Yen	20
Swedish Krona	1
Swiss Franc	2
<b>Total</b>	<b>\$ 435</b>

*Component Unit* - The NSHE does not directly invest in foreign currency investments and is therefore not subject to foreign currency risk. However, it has \$199,662 in mutual funds in both the operating and endowment pools that are primarily invested in international equities at June 30, 2021.

**Fair Value of Investments:** The State uses the market approach to determine the fair value of its investments. The State categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are valued using quoted prices for identical securities in markets that are not active; Level 3 inputs are significant unobservable inputs. The following table summarizes the fair value measurements of the primary government and fiduciary funds investments as of June 30, 2021 (expressed in thousands):

## Notes to the Financial Statements

For the Year Ended June 30, 2021

	Fair Value Measurements Using			NAV	Amortized Cost	Total
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs			
Asset backed corporate securities	\$ 340	\$ 180,266	\$ -	\$ -	\$ -	\$ 180,606
Collateralized mortgage	-	25,064	-	-	-	25,064
Commercial paper	-	2,090,941	-	-	-	2,090,941
Corporate bonds & notes	9,606	1,154,062	-	-	-	1,163,668
Equity securities	36,738,666	165,927	-	-	-	36,904,593
Investment agreements	-	35,535	-	-	-	35,535
Money market mutual funds	6,676,486	-	-	-	-	6,676,486
Mutual funds and ETFs	33,214,730	-	-	-	-	33,214,730
Negotiable certificates of deposit	-	1,812,342	-	-	-	1,812,342
Other investments	64	431,502	-	42,333	-	473,899
Private equity	-	-	-	4,231,478	-	4,231,478
Real estate	-	-	-	2,626,656	-	2,626,656
Short-term investments	118,474	110,097	-	-	-	228,571
U.S. agencies	12,052	563,131	-	-	154,172	729,355
U.S. Treasury securities	16,356,167	17,984	-	-	-	16,374,151
<b>Total</b>	<b>\$ 93,126,585</b>	<b>\$ 6,586,851</b>	<b>\$ -</b>	<b>\$ 6,900,467</b>	<b>\$ 154,172</b>	<b>\$ 106,768,075</b>

The following table represents investments in the pension trust funds (PERS, LRS, JRS) measured at the NAV as of June 30, 2021 (expressed in thousands):

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Commingled funds	\$ 42,333	\$ -	Daily	Trade date minus two business days
Private equity	4,231,478	1,587,300	N/A	N/A
Real estate separate accounts	2,626,656	-	N/A	N/A
<b>Total</b>	<b>\$ 6,900,467</b>	<b>\$ 1,587,300</b>		

Investment types in the pension trust funds measured at NAV in the table above are as follows:

*Commingled Funds* - this type includes investment in a commingled fund that invests primarily in stocks found in the MSCI World ex USA Index. The fair values of the investments in this type have been determined using the NAV per share of the fund.

*Real Estate Separate Accounts* - this type includes two core real estate separate accounts that invest in U.S. industrial, multi-family, office, and retail properties. The fair values of the investments in this type have been determined based on third-party appraisals net of outstanding debt. The property values are managed by the Altus Group which values the real estate assets on a quarterly basis and oversees the engagement of and management of third-party appraisers who value the properties annually. PERS owns each property through 501(c)(25) holding corporations or limited liability companies with PERS as sole shareholder. The properties can be put up for sale at any time.

*Private Equity* - this type includes a single portfolio investing in and acquiring private equity investment partnerships located in the United States and Europe. PERS does not have the ability to withdraw its investments from these investment partnerships. Interest in an investment partnership can be transferred or sold only upon the approval of the general partner of the respective investment partnership.

For private equity investment partnerships, fair value considers, among other factors, the reported net asset value (NAV) of the investment as determined in good faith by the general partner of the respective investment partnership. Because of the inherent uncertainty in valuing investments in investment partnerships for which no active, public market exists, or where the net realizable value may be significantly affected by a lack of liquidity or other market conditions, the fair value reported is an estimate and could significantly differ from the value that could be realized in a secondary market transaction and/or from the amounts ultimately realized.

The general partners of the investment partnerships generally report NAV on the fair value of the underlying portfolio companies, as well as the other assets and liabilities held by the investment partnership. Investments that have a negative fair value have losses allocated to the portfolio that exceed the amounts invested. Owing to the general partners' expertise and proprietary knowledge of the portfolio company investments, PERS generally utilizes the NAV as the basis for the reported investment values. PERS may, in good faith, apply an appropriate adjustment to the NAV reported by the general partner of the respective investment partnership, if deemed necessary.

## Notes to the Financial Statements

For the Year Ended June 30, 2021

**Component Units** - The fair value measurements of NSHE's investment holdings as of June 30, 2021 are summarized in the following table (expressed in thousands):

	Fair Value Measurements Using			NAV	Total
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs		
Cash and cash equivalents	\$ 167,922	\$ -	\$ -	\$ -	\$ 167,922
Charitable trusts	4,900	-	-	-	4,900
Domestic equity	246,786	-	-	28,556	275,342
Emerging market equity	-	-	-	13,288	13,288
Fixed income	170,655	654	-	181,286	352,595
International equity	157,965	-	-	27,863	185,828
Marketable alternatives	-	-	-	40,441	40,441
Multi-strategy	-	-	-	86,706	86,706
Private growth	-	-	-	56,830	56,830
Real assets	5,550	-	-	10,542	16,092
	753,778	654	-	445,512	1,199,944
Less: GBC Foundation Endowments	(9,669)	-	-	-	(9,669)
<b>Total</b>	<b>\$ 744,109</b>	<b>\$ 654</b>	<b>\$ -</b>	<b>\$ 445,512</b>	<b>\$ 1,190,275</b>

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 \$22,109,000 to private equity/venture capital funds are outstanding as of June 30, 2021.

**Marketable Alternatives** - Assets in the marketable alternatives 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 invest 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 consist of one commingled fund with a broad mandate which seeks to outperform the S&P 500 index.

**Multi-Strategy** - Assets in the multi-strategy category 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 the emerging market equity 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:

	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

For the Year Ended June 30, 2021

The Nevada Capital Investment Corporation (NCIC) has total investment holdings as of June 30, 2021 of \$29,413,219. For fair value measurement purposes \$1,085,701 is valued using Level 3 inputs and the remaining \$28,327,518 is measured using net asset value and have not been classified in the fair value hierarchy.

### C. Securities Lending

*Primary Government and Investment Trust Funds* - NRS 355.135 authorizes the State Treasurer to lend securities from the investment portfolio of the State if collateral received from the borrower is at least 102% of fair value of the underlying securities and the value of the securities borrowed is determined on a daily basis. There were no securities on loan at June 30, 2021 (excluding PERS).

*Public Employees' Retirement System (PERS)* – PERS maintains a securities lending program under the authority of the “prudent person” standard of NRS 286.682. Securities loaned under this program consist of U.S. Treasury Obligations, U.S. equity securities, and international equity securities. Collateral received consists of cash and securities issued by the U.S. Government, its agencies or instrumentalities. Collateral received for the lending of U.S. securities must equal at least 102% of market value, plus accrued interest in the case of fixed income securities. Collateral received for the lending of international securities must equal at least 105% of market value, plus accrued interest in the case of fixed income securities.

At year-end, PERS has no credit risk exposure to borrowers because the associated value of the collateral held exceeds the value of the securities borrowed. PERS has no discretionary authority to sell or pledge collateral received or securities loaned. The contract with the securities lending agent requires the agent to indemnify PERS for all losses relating to securities lending transactions. There were no losses resulting from borrower default during the period nor were there any recoveries of prior period losses.

PERS may only loan up to 33 1/3% of its total portfolio. Either PERS or the borrower can terminate all securities loans on demand. In September 2013 the Board elected to allow only overnight repurchase agreements collateralized by U.S. government obligations issued or guaranteed by the U.S. Government, its agencies or instrumentalities within the reinvestment portfolio. This action effectively eliminated risk in securities lending collateral reinvestment portfolio since securities issued or guaranteed by the U.S. Government are considered to be free of credit risk. The maturities of the investments made with cash collateral generally do not match the maturities of the securities loaned because securities lending transactions can be terminated at will.

The fair value of underlying securities on loan at June 30, 2021 is \$1,661,411,282. Collateral received for outstanding securities lending arrangements consisted of cash in the amount of \$174,487,304 and non-cash in the amount of \$1,563,810,614. The cash collateral is reported on the Statement of Fiduciary Net Position as an asset with a related liability. At June 30, 2021, PERS has collateral consisting of cash and securities issued by the U.S. Government, its agencies or instrumentalities, in excess of the fair value of investments held by brokers/dealers under a securities lending agreement.

### D. Derivatives

*Primary Government* – The Office of the State Treasurer’s investment policies do not contain any specific language regarding derivatives other than prohibiting certain types of derivatives such as option contracts, futures contracts, and swaps in the General Portfolios and the Local Government Investment Pool effective June 2012 and August 2019 respectively. The primary government has no exposure to derivatives as of June 30, 2021.

*Private Purpose Trust Fund* – Certain investments in the Nevada College Savings Plan are managed by Putnam Investment Management through Putnam sponsored portfolios (the Portfolios) and mutual funds. The Portfolios use six types of derivatives: options, futures contracts, forward currency contracts, total return swap contracts, interest rate swap contracts, and credit default contracts. Currently, there is no written investment policy with regard to derivatives for the Portfolios. All six types of derivatives are considered investments. The fair value amount in the table below represents the unrealized appreciation (depreciation) from derivative instruments and is reported in the Statement of Fiduciary Net Position. The net increase (decrease) in fair value is reported as investment income on the Statement of Changes in Fiduciary Net Position. The Portfolios’ investment derivative instruments as of June 30, 2021, and changes in fair value for the year then ended are summarized in the following table (expressed in thousands):

## Notes to the Financial Statements

For the Year Ended June 30, 2021

	Contracts/Notional Amounts	Fair Value	Change in Fair Value
Purchased currency option contracts, gross	\$ 7,298	\$ 42	\$ (46)
Forward currency contracts, gross	\$ 112,210	(381)	(379)
CC interest rate swap contracts, gross	\$ 12,525	(66)	(41)
OTC total return swap contracts, gross	\$ 23,892	(76)	(186)
CC total return swap contracts, gross	\$ 17,683	45	45
OTC credit default contracts, gross	\$ 3,856	(146)	346
CC credit default contracts, gross	\$ 10,697	190	(50)
Futures contracts, gross	\$ 1	(348)	(695)
Written currency option contracts, gross	\$ 7,298	(14)	17
<b>Total</b>		<b>\$ (754)</b>	<b>\$ (989)</b>

The Portfolios use options contracts to manage duration and convexity, to isolate prepayment risk, to gain exposure to interest rates, to manage against changes in values of securities it owns, owned or expects to own to manage prepayment risk to generate additional income for the portfolio, to enhance returns on securities owned, to gain exposure to securities and to manage downside risks. The potential risk is that the change in value of options contracts may not correspond to the change in value of the managed instruments. In addition, losses may arise from changes in the value of the underlying instruments if there is an illiquid secondary market for the contracts, if interest or exchanged rates move unexpectedly or if the counterparty to the contract is unable to perform. Realized gains and losses on purchased options are included in realized gains and losses on investment securities. Exchange-traded options are valued at the last sale price.

The Portfolios use futures contracts to manage interest rate risk, gain exposure to interest rates, manage prepayment risk, equitize cash, and manage exposure to market risk. The potential risk is that the change in value of futures contracts may not correspond to the change in value of the managed instruments. In addition, losses may arise from changes in the value of the underlying instruments if there is an illiquid secondary market for the contracts, if interest or exchange rates move unexpectedly, or if the counterparty to the contract is unable to perform. Futures contracts are valued at the quoted daily settlement prices established by the exchange on which they trade. Risks may exceed amounts recognized on the Statement of Fiduciary Net Position. The Portfolios and the broker agree to exchange an amount of cash equal to the daily fluctuation in the value of the futures contract. Such receipts or payments are known as “variation margin.”

The Portfolios buy and sell forward currency contracts, which are agreements between two parties to buy and sell currencies at a set price on a future date. These contracts are used to manage foreign exchange risk and to gain exposure on currency. The contract is marked to market daily using current forward currency exchange rates supplied by a quotation service. The Portfolios may be exposed to risk if the value of currency changes unfavorably, if the counterparties to the contracts are unable to meet the terms of their contracts or if the Portfolios are unable to enter into a closing position. Risk of loss may exceed amounts recognized on the Statement of Fiduciary Net Position.

The Portfolios entered into OTC and/or centrally cleared total return swap contracts, which are arrangements to exchange a market linked return for a periodic payment, both based on a notional principal amount, to manage sector exposure, manage exposure to specific sectors or industries, manage exposure to specific securities, to gain exposure to basket of securities, to gain exposure to specific markets or countries. To the extent that the total return of the security, index or other financial measure underlying the transaction exceeds or falls short of the offsetting interest rate obligation, the Portfolios will receive a payment from or make a payment to the counterparty. OTC and/or centrally cleared total return swap contracts are marked to market daily based upon quotations from an independent pricing service or market makers. The Portfolios could be exposed to credit or market risk due to unfavorable changes in the fluctuation of interest rates or the price of the underlying security or index, the possibility that there is no liquid market for these agreements or that the counterparty may default on its obligation to perform. The Portfolios’ maximum risk of loss from counterparty risk is the fair value of the contract. This risk may be mitigated for OTC total return swap contracts by having a master netting arrangement between the Portfolios and the counterparty and for centrally cleared total return swap contracts through the daily exchange of variation margin. There is minimal counterparty risk with respect to centrally cleared total return swap contracts due to the clearinghouse guarantee fund and other resources that are available in the event of a clearing member default. Risk of loss may exceed amounts recognized on the Statement of Fiduciary Net Position.

The Portfolios entered into OTC and/or centrally cleared interest rate swap contracts to manage interest rate risk and to gain exposure on interest. OTC and centrally cleared interest rate swap contracts are marked to market daily based upon quotations from an independent pricing service or market makers. The Portfolios could be exposed to credit or market risk due to unfavorable changes in the fluctuation of interest rates or if the counterparty defaults, in the case of OTC interest rate contracts,

## Notes to the Financial Statements

For the Year Ended June 30, 2021

or the central clearing agency or a clearing member defaults, in the case of centrally cleared interest rate swap contracts, on its respective obligation to perform. This risk may be mitigated for OTC interest rate swap contracts by having a master netting arrangement between the Portfolios and the counterparty and for centrally cleared interest rate swap contracts through the daily exchange of variation margin. There is minimal counterparty risk with respect to centrally cleared interest rate swap contracts due to the clearinghouse guarantee fund and other resources that are available in the event of a clearing member default. Risk of loss may exceed amounts recognized on the Statement of Fiduciary Net Position.

The Portfolios entered into OTC and/or centrally cleared credit default contracts to manage credit risk and market risk, and gain exposure on individual names and/or baskets of securities. In an OTC and centrally cleared credit default contracts, the protection buyer typically makes a periodic stream of payments to a counterparty, the protection seller, in exchange for the right to receive a contingent payment upon the occurrence of a credit event on the reference obligation or all other equally ranked obligations of the reference entity. Credit events are contract specific but may include bankruptcy, failure to pay, restructuring and obligation acceleration. The OTC and centrally cleared credit default contracts are marked to market daily based upon quotations from an independent pricing service or market makers. In addition to bearing the risk that the credit event will occur, the Portfolios could be exposed to market risk due to unfavorable changes in interest rates or in the price of the underlying security or index or the possibility that it may be unable to close out its position at the same time or at the same price as if it had purchased the underlying reference obligations. In certain circumstances, the Portfolios may enter into offsetting OTC and centrally cleared credit default contracts which could mitigate their risk of loss. Risk of loss may exceed amounts recognized on the Statement of Fiduciary Net Position. The Portfolios' maximum risk of loss from counterparty risk, either as the protection seller or as the protection buyer, is the fair value of the contract. This risk may be mitigated for OTC credit default contracts by having a master netting arrangement between the Portfolios and the counterparty and for centrally cleared credit default contracts through the daily exchange of the variation margin. Counterparty risk is further mitigated with respect to centrally cleared credit default contracts due to the clearinghouse guarantee fund and other resources that are available in the event of a clearing member default. Where the Portfolios are a seller of protection, the maximum potential amount of future payments it may be required to make is equal to the notional amount.

Derivative instruments held by the Portfolios were not individually rated by a ratings agency for the reporting period. As of June 30, 2021, OTC derivative counterparties had ratings that were either greater than or equivalent to long-term ratings of A3 and short-term ratings of P-2. Centrally cleared contracts are not considered brokered contracts and have mitigated risks. With futures, there is minimal counterparty credit risk to the Portfolios since futures are exchange traded and the exchange's clearinghouse, as counterparty to all exchange traded futures, guarantees the futures against default.

Derivative instruments are subject to interest rate risk. Prices of longer term maturities generally change more in response to interest rate changes than the prices of shorter term maturities. The following table provides information about the interest rate risks associated with the types of investment derivative instruments as of June 30, 2021 (expressed in thousands):

	Maturities in Years				
	Less than 1	1-5	6-10	Greater than 10	Total
Purchased currency options	\$ 42	\$ -	\$ -	\$ -	\$ 42
Forward currency contracts	(380)	-	-	-	(380)
CC interest rate swap contracts	-	-	(1)	(66)	(67)
OTC total return swap contracts	(94)	18	-	-	(76)
CC total return swap contracts	-	(8)	-	53	45
OTC credit default contracts	-	-	-	(146)	(146)
CC credit default contracts	-	190	-	-	190
Futures contracts	(348)	-	-	-	(348)
Written currency options	(14)	-	-	-	(14)
<b>Total</b>	<b>\$ (794)</b>	<b>\$ 200</b>	<b>\$ (1)</b>	<b>\$ (159)</b>	<b>\$ (754)</b>

## Notes to the Financial Statements

For the Year Ended June 30, 2021

Forward currency contracts are subject to foreign currency risk. The following table provides information about the forward currency contracts as of June 30, 2021 (expressed in thousands):

	Fair Value
Australian Dollar	\$ (115)
British Pound	(178)
Canadian Dollar	142
Chinese Yuan	(9)
Danish Krone	4
Euro	(145)
Israeli Shekel	(1)
Japanese Yen	26
New Zealand Dollar	30
Norwegian Krone	(85)
Singapore Dollar	1
South African Rand	4
South Korean Won	3
Swedish Krona	(127)
Swiss Franc	70
<b>Total</b>	<b>\$ (380)</b>

The audited financial statements of Putnam 529 for America may be obtained from Putnam Investment Management, One Post Office Square, Boston, MA 02109.

## 4. Receivables

Receivable balances are disaggregated by type and presented separately in the financial statements. Significant receivable balances not expected to be collected within one year and not already classified in the fund financials are presented below (expressed in thousands):

	General Fund	Nonmajor Governmental Funds	Total
<b>As shown on financial statements:</b>			
Intergovernmental receivables	\$ 899,035	\$ 17,688	\$ 916,723
Notes/loans receivable	13,860	79,065	92,925
Due from component units	134	23,355	23,489
<b>Total</b>	<b>\$ 913,029</b>	<b>\$ 120,108</b>	<b>\$ 1,033,137</b>
<b>Classified:</b>			
<b>Current portion:</b>	<b>\$ 839,430</b>	<b>\$ 21,088</b>	<b>\$ 860,518</b>
<b>Noncurrent portion:</b>			
Intergovernmental receivables	60,406	-	60,406
Notes/loans receivable	13,192	75,840	89,032
Due from component units	-	23,180	23,180
<b>Total noncurrent portion</b>	<b>73,598</b>	<b>99,020</b>	<b>172,618</b>
<b>Total</b>	<b>\$ 913,029</b>	<b>\$ 120,108</b>	<b>\$ 1,033,137</b>

Not included in the receivable balances are amounts considered to be uncollectible. In the governmental funds, uncollectible taxes receivable are estimated at \$22.9 million, and uncollectible accounts receivable are estimated at \$199.6 million. The proprietary funds have \$62.6 million in uncollectible accounts receivable of which \$8.8 million are from the fines and penalties of Workers Compensation and Safety, and \$31.8 million are from unemployment contributions and benefit overpayments.



## Notes to the Financial Statements

For the Year Ended June 30, 2021

### 5. Interfund Transactions

#### A. Interfund Advances

A summary of interfund advances at June 30, 2021, follows (expressed in thousands):

	Advances From			Total
	General Fund	State Highway	Nonmajor Governmental	
<b>Advances To</b>				
Nonmajor Governmental	\$ 50,000	\$ -	\$ -	\$ 50,000
Nonmajor Enterprise	103	-	-	103
Internal Service Funds	3,097	2,974	-	6,071
<b>Total other funds</b>	<b>\$ 53,200</b>	<b>\$ 2,974</b>	<b>\$ -</b>	<b>\$ 56,174</b>

Interfund advances are the portions of interfund balances that are *not* expected to be repaid within one year. The interfund balances that are expected to be repaid within one year are shown in the Due From/Due To summary following.

Advances are generally made to finance capital expenditures or as a loan for operating purposes.

#### B. Due From/Due To Other Funds and Component Units

A summary of due from and due to other funds and component units at June 30, 2021, is shown below (expressed in thousands):

	Due To			
	Major Governmental Funds		Nonmajor Governmental	Total Governmental
	General Fund	State Highway		
<b>Due From</b>				
<b>Major Governmental Funds:</b>				
General	\$ -	\$ 36,774	\$ 64,996	\$ 101,770
State Highway	32,703	-	6,273	38,976
Nonmajor Governmental	125,553	6,740	45,203	177,496
Total Governmental	158,256	43,514	116,472	318,242
<b>Major Enterprise Funds:</b>				
Housing Division	265	-	-	265
Unemployment Comp	-	-	179	179
Water Projects Loans	277	-	-	277
Higher Ed Tuition Trust	114	-	-	114
Nonmajor Enterprise	1,544	1	-	1,545
Total Enterprise	2,200	1	179	2,380
Internal Service	1,203	2,212	-	3,415
<b>Total other funds</b>	<b>\$ 161,659</b>	<b>\$ 45,727</b>	<b>\$ 116,651</b>	<b>\$ 324,037</b>
<b>Fiduciary</b>	<b>\$ 124</b>	<b>\$ -</b>	<b>\$ 1,212</b>	<b>\$ 1,336</b>
<b>Component Units:</b>				
Nevada System of Higher Education	134	-	175	309
Nevada Capital Investment Corporation	-	-	23,180	23,180
<b>Total Component Units</b>	<b>\$ 134</b>	<b>\$ -</b>	<b>\$ 23,355</b>	<b>\$ 23,489</b>

## Notes to the Financial Statements

For the Year Ended June 30, 2021

	Due To							
	Major Enterprise Funds				Total Enterprise	Internal Service	Total Other Funds	Fiduciary
Due From	Housing Division	Water Projects Loans	Higher Education Tuition Trust	Nonmajor Enterprise				
<b>Major Governmental Funds:</b>								
General	\$ 505	\$ 405	\$ 37	\$ 2,379	\$ 3,326	\$ 13,559	\$ 118,655	\$ 787,910
State Highway	-	-	-	1	1	2,828	41,805	8
Nonmajor Governmental	-	-	-	6	6	968	178,470	2
Total Governmental	505	405	37	2,386	3,333	17,355	338,930	787,920
<b>Major Enterprise Funds:</b>								
Housing Division	-	-	-	-	-	3	268	-
Unemployment Comp	-	-	-	-	-	-	179	-
Water Projects Loans	-	-	-	-	-	2	279	-
Higher Ed Tuition Trust	-	-	-	-	-	11	125	-
Nonmajor Enterprise	-	-	-	-	-	108	1,653	39
Total Enterprise	-	-	-	-	-	124	2,504	39
Internal Service	-	-	-	3	3	475	3,893	5
<b>Total other funds</b>	\$ 505	\$ 405	\$ 37	\$ 2,389	\$ 3,336	\$ 17,954	\$ 345,327	\$ 787,964
<b>Fiduciary</b>	\$ -	\$ -	\$ -	\$ 9	\$ 9	\$ 12,104	\$ 13,449	\$ 1
<b>Component Units:</b>								
Colorado River Commission	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38	\$ 38	\$ -
Nevada System of Higher Education	-	-	-	-	-	42	351	-
Nevada Capital Investment Corporation	-	-	-	-	-	-	23,180	-
<b>Total Component Units</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80	\$ 23,569	\$ -

	Due To		
	Component Units		Total Component Units
Due From	Colorado River Commission	Nevada System of Higher Education	
<b>Major Governmental Funds:</b>			
General	\$ 51	\$ 31,531	\$ 31,582
State Highway	-	194	194
Nonmajor Governmental	-	2,298	2,298
Total Governmental	51	34,023	34,074
Internal Service	-	17	17
<b>Total</b>	\$ 51	\$ 34,040	\$ 34,091

The balances result primarily from timing differences between the date goods and services are provided or reimbursable expenses occur, and the date the transactions are recorded in the accounting system and payment is made.

## Notes to the Financial Statements

For the Year Ended June 30, 2021

### C. Transfers From/Transfers To Other Funds

A summary of transfers between funds for the year ended June 30, 2021, is shown below (expressed in thousands):

	Transfers Out/To			
	Major Governmental Funds		Nonmajor Governmental	Total Governmental
	General Fund	State Highway		
<b>Transfers In/From</b>				
<b>Major Governmental Funds:</b>				
General	\$ -	\$ 14,194	\$ 262,716	\$ 276,910
State Highway	33,617	-	8,875	42,492
Nonmajor Governmental	75,819	7,508	93,159	176,486
Total Governmental	109,436	21,702	364,750	495,888
<b>Major Enterprise Funds:</b>				
Housing	8	-	-	8
Higher Ed Tuition Trust	704	-	-	704
Nonmajor Enterprise	582	-	67	649
Total Enterprise	1,294	-	67	1,361
Internal Service	11,719	-	109	11,828
<b>Total other funds</b>	<b>\$ 122,449</b>	<b>\$ 21,702</b>	<b>\$ 364,926</b>	<b>\$ 509,077</b>

	Transfers Out/To				
	Major Enterprise Funds		Nonmajor Enterprise Funds	Total Enterprise	Total Other Funds
	Unemployment Compensation	Water Projects Loans			
<b>Transfers In/From</b>					
<b>Major Governmental Funds:</b>					
General	\$ -	\$ 1,871	\$ 15,236	\$ 17,107	\$ 265,543
State Highway	-	-	-	-	42,517
Nonmajor Governmental	6,052	-	-	6,052	121,390
Total Governmental	6,052	1,871	15,236	23,159	429,450
<b>Major Enterprise Funds:</b>					
Housing	-	-	-	-	8
Higher Ed Tuition Trust	-	-	-	-	704
Nonmajor Enterprise	-	-	12	12	661
Total Enterprise	-	-	12	12	1,373
Internal Service	-	-	-	-	11,828
<b>Total other funds</b>	<b>\$ 6,052</b>	<b>\$ 1,871</b>	<b>\$ 15,248</b>	<b>\$ 23,171</b>	<b>\$ 442,651</b>

The general purpose for transfers is to move monies from funds required by statute to collect them to the funds required by statute or budget to expend them, and to move monies collected for debt service purposes to the debt service fund required to make the payment.

Transfers from the General Fund to other funds of \$61.7 million were for Federal Grants related to COVID-19 relief. Of this amount, the largest of these transfers were to the State Highway Fund, the Employment Security Fund, the Self-Insurance Fund, and the Tourism Promotion Fund in the amounts of \$30.7 million, \$12.5 million, \$9.5 million, and \$4.7 million, respectively.

## Notes to the Financial Statements

For the Year Ended June 30, 2021

### 6. Restricted Assets

Various debt service, operation and maintenance, capital improvement and construction (acquisition) funding requirements of bond covenants, and trust indentures are recorded as restricted assets on the Statement of Net Position. The components of restricted assets at June 30, 2021 are as follows (expressed in thousands):

	Primary Government		
	Governmental Activities	Business-Type Activities	Component Units
<b>Restricted:</b>			
Cash	\$ 175,395	\$ -	\$ 68,349
Investments	-	132,539	17,771
<b>Total</b>	<b>\$ 175,395</b>	<b>\$ 132,539</b>	<b>\$ 86,120</b>
<b>Restricted for:</b>			
Debt service	\$ -	\$ 132,539	\$ 1,052
Capital projects	-	-	65,740
Capital projects -unspent bond proceeds	174,196	-	-
Regulation of business	1,199	-	-
Other purposes	-	-	19,328
<b>Total</b>	<b>\$ 175,395</b>	<b>\$ 132,539</b>	<b>\$ 86,120</b>

### 7. Capital Assets

Capital asset activity of the primary government for the year ended June 30, 2021, was as follows (expressed in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 174,263	\$ -	\$ -	\$ 174,263
Construction in progress	2,597,712	346,278	(296,375)	2,647,615
Infrastructure	5,842,527	127,294	-	5,969,821
Rights-of-way	959,352	12,957	-	972,309
Total capital assets, not being depreciated	9,573,854	486,529	(296,375)	9,764,008
<b>Capital assets, being depreciated/amortized</b>				
Buildings	1,965,274	118,788	-	2,084,062
Improvements other than buildings	164,826	1,716	-	166,542
Furniture and equipment	506,834	43,345	(19,799)	530,380
Software costs	324,742	12,995	(870)	336,867
Total capital assets, being depreciated/amortized	2,961,676	176,844	(20,669)	3,117,851
<b>Less accumulated depreciation/amortization for</b>				
Buildings	(818,084)	(51,306)	-	(869,390)
Improvements other than buildings	(104,911)	(4,490)	-	(109,401)
Furniture and equipment	(371,379)	(34,483)	18,864	(386,998)
Software costs	(202,536)	(15,305)	870	(216,971)
Total accumulated depreciation/amortization	(1,496,910)	(105,584)	19,734	(1,582,760)
Total capital assets, being depreciated/amortized, net	1,464,766	71,260	(935)	1,535,091
<b>Governmental activities capital assets, net</b>	<b>\$ 11,038,620</b>	<b>\$ 557,789</b>	<b>\$ (297,310)</b>	<b>\$ 11,299,099</b>

## Notes to the Financial Statements

For the Year Ended June 30, 2021

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type Activities:</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 568	\$ -	\$ -	\$ 568
Total capital assets, not being depreciated	568	-	-	568
<b>Capital assets, being depreciated</b>				
Buildings	1,407	-	-	1,407
Improvements other than buildings	5,638	-	-	5,638
Furniture and equipment	17,145	104	(338)	16,911
Total capital assets, being depreciated	24,190	104	(338)	23,956
<b>Less accumulated depreciation for</b>				
Buildings	(1,262)	(41)	-	(1,303)
Improvements other than buildings	(2,856)	(75)	-	(2,931)
Furniture and equipment	(7,604)	(794)	338	(8,060)
Total accumulated depreciation	(11,722)	(910)	338	(12,294)
Total capital assets, being depreciated, net	12,468	(806)	-	11,662
<b>Business-type activities capital assets, net</b>	<b>\$ 13,036</b>	<b>\$ (806)</b>	<b>\$ -</b>	<b>\$ 12,230</b>

Included in the table above are three Department of Corrections facilities that have been closed. These assets are idle, with a carrying value of \$7.5 million.

Current period depreciation and amortization expense was charged to functions of the primary government as follows (expressed in thousands):

<b>Governmental activities:</b>	
General government	\$ 6,819
Education, support services	177
Health services	1,200
Law, justice, public safety	41,220
Recreation, resource development	6,867
Social services	18,779
Transportation	18,903
Regulation of business	2,848
Unallocated	2,533
Depreciation and amortization on capital assets held by the State's internal service funds is charged to the various functions based on their use of the assets	6,238
<b>Total depreciation/amortization expense - governmental activities</b>	<b>\$ 105,584</b>
<b>Business-type activities:</b>	
Housing	\$ 36
Workers' compensation and safety	362
Higher education tuition	17
Other	495
<b>Total depreciation/amortization expense - business-type activities</b>	<b>\$ 910</b>

## Notes to the Financial Statements

For the Year Ended June 30, 2021

Capital asset activity of the Nevada System of Higher Education for the year ended June 30, 2021, was as follows (expressed in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Nevada System of Higher Education:</b>				
<b>Capital assets, not being depreciated</b>				
Construction in progress	\$ 182,905	\$ 85,861	\$ (151,437)	\$ 117,329
Land	167,425	5,868	(184)	173,109
Land improvements	227	-	-	227
Intangibles	703	-	-	703
Collections	12,058	141	(168)	12,031
Total capital assets, not being depreciated	<u>363,318</u>	<u>91,870</u>	<u>(151,789)</u>	<u>303,399</u>
<b>Capital assets, being depreciated</b>				
Buildings	3,161,908	181,039	(4,646)	3,338,301
Land improvements	174,225	4,993	(603)	178,615
Machinery and equipment	419,466	39,850	(10,435)	448,881
Intangibles	49,301	2,964	(473)	51,792
Library books and media	123,939	1,589	(160)	125,368
Total capital assets, being depreciated	<u>3,928,839</u>	<u>230,435</u>	<u>(16,317)</u>	<u>4,142,957</u>
<b>Less accumulated depreciation for</b>				
Buildings	(1,178,623)	(79,884)	820	(1,257,687)
Land improvements	(124,082)	(5,686)	-	(129,768)
Machinery and equipment	(320,526)	(27,322)	9,261	(338,587)
Intangibles	(43,928)	(3,529)	469	(46,988)
Library books and media	(119,862)	(1,873)	160	(121,575)
Total accumulated depreciation	<u>(1,787,021)</u>	<u>(118,294)</u>	<u>10,710</u>	<u>(1,894,605)</u>
Total capital assets being depreciated, net	<u>2,141,818</u>	<u>112,141</u>	<u>(5,607)</u>	<u>2,248,352</u>
<b>Nevada System of Higher Education activity capital assets, net</b>	<u>\$ 2,505,136</u>	<u>\$ 204,011</u>	<u>\$ (157,396)</u>	<u>\$ 2,551,751</u>

Capital asset activity of the Colorado River Commission for the year ended June 30, 2021, was as follows (expressed in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Colorado River Commission:</b>				
<b>Capital assets, being depreciated</b>				
Power transmission system	\$ 88,278	\$ -	\$ -	\$ 88,278
Office furniture and fixtures	25	-	-	25
Automobiles and other equipment	636	95	(40)	691
Total capital assets, being depreciated	<u>88,939</u>	<u>95</u>	<u>(40)</u>	<u>88,994</u>
<b>Less accumulated depreciation for</b>				
Power transmission system	(43,327)	(1,993)	-	(45,320)
Office furniture and fixtures	(25)	-	-	(25)
Automobiles and other equipment	(414)	(78)	40	(452)
Total accumulated depreciation	<u>(43,766)</u>	<u>(2,071)</u>	<u>40</u>	<u>(45,797)</u>
<b>Colorado River Commission activity capital assets, net</b>	<u>\$ 45,173</u>	<u>\$ (1,976)</u>	<u>\$ -</u>	<u>\$ 43,197</u>

## 8. Capital Lease Receivable

The State, as lessor, entered into a lease purchase agreement in fiscal year 2014 with the Nevada System of Higher Education (NSHE), a discretely presented component unit, as lessee. The agreement is to finance a building construction project at the Nevada State College. Construction was completed in fiscal year 2016. At the end of the lease, title to the buildings transfers to the NSHE. Construction was financed by Lease Revenue Certificates of Participation Series 2013 at 4.0-5.0% interest. Proceeds from the certificates of participation were used to pay the capitalized interest during the construction period, and NSHE began making capital lease principal and interest payments starting in fiscal year 2017.

## Notes to the Financial Statements

For the Year Ended June 30, 2021

The future minimum lease payments receivable for capital leases are as follows (expressed in thousands):

Year Ending June 30	Governmental Activities
2022	\$ 3,381
2023	3,380
2024	3,381
2025	3,380
2026	3,380
2027-2044	57,500
<b>Total future minimum lease revenues</b>	<b>\$ 74,402</b>

## 9. Short and Long -Term Obligations

### A. Changes in Long-Term Obligations

The following is a summary of changes in long-term obligations of the primary government for the fiscal year ended June 30, 2021 (expressed in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
<b>Governmental activities:</b>					
<i>Bonds payable:</i>					
General obligation bonds	\$ 1,182,281	\$ 105,105	\$ (165,488)	\$ 1,121,898	\$ 125,668
Special obligation bonds	704,460	143,480	(42,875)	805,065	40,190
Subtotal	1,886,741	248,585	(208,363)	1,926,963	-
Issuance premiums (discounts)	147,332	33,654	(34,770)	146,216	31,307
Total bonds payable	2,034,073	282,239	(243,133)	2,073,179	-
Certificates of participation	72,245	-	(3,005)	69,240	3,140
Certificates of participation-private placement	2,303	-	(371)	1,932	377
Subtotal	74,548	-	(3,376)	71,172	-
Issuance premiums (discounts)	39	-	(224)	(185)	171
Total certificates of participation	74,587	-	(3,600)	70,987	-
<i>Other governmental long-term activities:</i>					
Obligations under capital leases	11,266	-	(3,724)	7,542	2,662
Compensated absences obligations	116,380	89,904	(79,986)	126,298	93,317
Pollution remediation obligations	5,000	13	(490)	4,523	656
Total other governmental long-term activities	132,646	89,917	(84,200)	138,363	-
<b>Governmental activities long-term obligations</b>	<b>\$ 2,241,306</b>	<b>\$ 372,156</b>	<b>\$ (330,933)</b>	<b>\$ 2,282,529</b>	<b>\$ -</b>
<b>Business-type activities:</b>					
<i>Bonds payable:</i>					
General obligation bonds	\$ 74,124	\$ 1,470	\$ (12,907)	\$ 62,687	\$ 8,307
Special obligation bonds	875,915	185,278	(214,935)	846,258	54,978
Subtotal	950,039	186,748	(227,842)	908,945	63,285
Issuance premiums (discounts)	10,577	2,013	(1,795)	10,795	1,283
Total bonds payable	960,616	188,761	(229,637)	919,740	64,568
Compensated absences obligations	2,220	1,921	(1,605)	2,536	1,875
Tuition benefits payable	206,345	22,435	(20,640)	208,140	19,863
<b>Business-type activities long-term obligations</b>	<b>\$ 1,169,181</b>	<b>\$ 213,117</b>	<b>\$ (251,882)</b>	<b>\$ 1,130,416</b>	<b>\$ 86,306</b>

The General Fund and special revenue funds typically liquidate the capital lease obligations. Compensated absence obligations are payable by the funds in which they are incurred and are primarily the General Fund and State Highway Fund. The debt service funds typically liquidate the arbitrage obligations.

### B. Bonds Payable

The State issues general obligation bonds for the acquisition, construction and improvement of major capital facilities; buying local governments' bonds in the municipal bond bank fund; loans to municipalities for water projects; protection of natural resources; cultural affairs projects; the construction, reconstruction, improvement and maintenance of highways; and for

## Notes to the Financial Statements

For the Year Ended June 30, 2021

refunding purposes. General obligation bonds are direct obligations and pledge the full faith and credit of the State.

Special obligation highway improvement revenue bonds provide funds for property acquisition and construction of highway projects. Special obligation housing bonds in the aggregate have a debt limit of \$5 billion and are used for housing loans or to purchase mortgage loans having both fixed and variable interest rates. Special obligation bonds are payable solely from gross pledged revenues and are not general obligations of the State.

General obligation bonds and special obligation bonds of the primary government outstanding at June 30, 2021 are comprised of the following (expressed in thousands):

	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Principal Outstanding</u>
<b>Governmental activities:</b>			
<i>General obligation bonds:</i>			
Subject to Constitutional Debt Limitation	2.0-5.0%	\$ 1,233,925	\$ 945,445
Exempt from Constitutional Debt Limitation	2.0-6.0%	248,751	176,453
<i>Special obligation bonds:</i>			
Exempt from Constitutional Debt Limitation-			
Highway Improvement Revenue Bonds	1.75-5.0%	946,915	805,065
Subtotal		2,429,591	1,926,963
Issuance premiums (discounts)		507,871	146,216
<b>Governmental activities bonds payable</b>		<b>2,937,462</b>	<b>2,073,179</b>
<b>Business-type activities:</b>			
<i>General obligation bonds:</i>			
Exempt from Constitutional Debt Limitation	2.0-5.5%	128,052	62,687
<i>Special obligation bonds:</i>			
Housing Bonds	*.20-6.95%	1,234,852	846,258
Subtotal		1,362,904	908,945
Issuance premiums (discounts)		17,026	10,795
<b>Business-type activities bonds payable</b>		<b>1,379,930</b>	<b>919,740</b>
<b>Total bonds payable</b>		<b>\$ 4,317,392</b>	<b>\$ 2,992,919</b>

\*Many Housing bonds have variable rates of interest. The tax exempt bonds track the SIFMA Index while the federally taxable debt tracks the one-month LIBOR Index.

Debt service requirements (principal and interest) for all long-term bonds and notes outstanding at June 30, 2021, of the primary government are summarized in the table following (expressed in thousands):

Year Ending June 30	Governmental Activities				Business-Type Activities			
	General Obligation		Special Obligation		General Obligation		Special Obligation	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 125,668	\$ 48,582	\$ 40,190	\$ 33,386	\$ 8,307	\$ 2,437	\$ 54,978	\$ 27,881
2023	120,604	42,270	42,110	31,393	7,771	2,102	8,343	28,130
2024	110,894	36,229	43,995	29,317	4,621	1,840	42,558	28,079
2025	114,757	30,733	46,080	27,078	5,478	1,607	10,348	27,714
2026	116,562	24,757	48,285	24,719	5,053	1,376	7,574	27,367
2027-2031	321,013	62,222	268,205	86,783	18,497	4,107	48,709	141,367
2032-2036	167,910	20,648	244,790	28,826	12,330	893	169,024	125,800
2037-2041	44,490	1,972	71,410	3,190	630	19	156,714	93,098
2042-2046	-	-	-	-	-	-	67,437	86,949
2047-2051	-	-	-	-	-	-	46,617	72,295
2052-2056	-	-	-	-	-	-	143,956	29,206
2057-2061	-	-	-	-	-	-	90,000	12,439
<b>Total</b>	<b>\$ 1,121,898</b>	<b>\$ 267,413</b>	<b>\$ 805,065</b>	<b>\$ 264,692</b>	<b>\$ 62,687</b>	<b>\$ 14,381</b>	<b>\$ 846,258</b>	<b>\$ 700,325</b>

### C. Constitutional Debt Limitations

Section 3, Article 9, of the State Constitution (as amended) limits the aggregate principal amount of the State's public debt to two percent (2%) of the assessed valuation of the State. Exempt from this limitation are debts authorized by the Legislature that are incurred for the protection and preservation of, or for obtaining the benefits of, any property or natural resources within the State. At June 30, 2021, the debt limitation and its unused portion are computed as follows (expressed in thousands):

Debt limitation (2% of total assessed valuation)	\$ 3,024,394
Less: Bonds and leases payable as of June 30, 2021, subject to limitation	(945,445)
<b>Remaining debt capacity</b>	<b>\$ 2,078,949</b>



## Notes to the Financial Statements

For the Year Ended June 30, 2021

### D. Nevada Municipal Bond Bank

General obligation bonds have been issued through the Municipal Bond Bank, a special revenue fund, as authorized by NRS 350A. These bonds are subject to statutory limitation of \$1.8 billion and are exempt from the Constitutional Debt Limitation. Proceeds from the bonds are used to purchase validly issued general obligation bonds of the State's local governments to finance projects related to natural resources. The State anticipates that the debt service revenue it receives from the participating local governments will be sufficient to pay the debt service requirements of the State bonds as they become due. Eleven projects were funded through the Municipal Bond Bank as of June 30, 2021, and total outstanding loans to local governments amounted to \$79,065,000.

### E. Refunded Debt and Redemptions

During the fiscal year 2021, the State of Nevada refunded \$17,820,000 in general obligation, limited tax, bonds related to capital improvement, historical preservation and refunding and natural resources and refunding by issuing refunding bonds with a total par amount of \$14,845,000 at a \$3,228,269 premium. Proceeds from refunding bonds and certificates were used to refund certain outstanding State debt to realize debt service savings. The refunding decreased the aggregate debt service payments by \$4,225,555 with an economic or present value gain of \$3,971,301. The reacquisition price not exceeding the carrying amount of the old debt causing a deferred accounting gain of \$75,481. This amount is being reported as a deferred inflow of resources and amortized as an adjustment to interest expense over the life of the refunded debt or the refunding debt, whichever is shorter. The impact of the refunding issues is presented in the following table (expressed in thousands):

	Refunding Amount	Refunded Amount	Cash Flow Gain (Loss)	Present Value Gain
Capital Improvement, Historical Preservation and Refunding Bonds Series 2010C	\$ 16,125	\$ 16,125	\$ 3,597	\$ 3,461
Natural Resources and Refunding Bonds-Marlette Lake Bonds Series 2010D	1,695	1,695	629	510
<b>Total</b>	<b>\$ 17,820</b>	<b>\$ 17,820</b>	<b>\$ 4,226</b>	<b>\$ 3,971</b>

### F. Capital Leases

The State has entered into various agreements for the lease of vehicles and improvement of buildings. Assets of the primary government acquired under such leases at June 30, 2021 include vehicles and building improvements of \$32,159,486 with accumulated depreciation of \$14,567,055.

For all capital leases of the primary government, the gross minimum lease payments and the present value of the net minimum lease payments as of June 30, 2021 follow (expressed in thousands):

Year Ending June 30	Governmental Activities
2022	\$ 2,981
2023	1,902
2024	1,977
2025	1,348
Total minimum lease payments	8,208
Less: amount representing interest	(665)
<b>Obligations under capital leases</b>	<b>\$ 7,543</b>

### G. Certificates of Participation

In fiscal year 2014, the NRPC issued \$35,785,000 of Lease Revenue Refunding Certificates of Participation Series 2013 at 3.0-5.0% interest to refund the outstanding balances of Lease Revenue Certificates of Participation Series 2004 and 2004B, which were to finance the acquisition and construction of the State's Capitol Complex Building 1 and Casa Grande Projects respectively.

In fiscal year 2014, the NRPC issued \$50,445,000 of new Lease Revenue Certificates of Participation Series 2013 at 4.0-5.0% interest to finance the State's Nevada State College Project. The Project is leased to the Nevada System of Higher Education (NSHE), the State's discretely presented component unit. Meanwhile, the NRPC entered into a Ground Lease with respect to the real property on which the Project is located.

In fiscal year 2017, the NRPC issued \$3,730,000 of Lease Revenue Refunding Certificates of Participation Series 2016A at 2.22% interest to refund the outstanding balances of Lease Revenue Certificate of Participation Series 2006 which were to finance the design and construction of a warehouse addition to the Legislative Counsel Bureau's existing State Printing Office

## Notes to the Financial Statements

For the Year Ended June 30, 2021

building in Carson City and resurfacing of the exterior of the existing building, together with related improvements on the premises. These Certificates of Participation are Privately Placed.

Under the lease revenue certificates of participation financing arrangements, the certificates are not general obligations of the State and are not backed by the faith and credit or the taxing power of the State. The State's obligation to pay base rent and make other payments to the trustee under the financing leases is subject to appropriation by the State. In the event that the State does not make a sufficient appropriation with respect to a Lease Purchase Agreement, that Lease Purchase Agreement will terminate.

The following schedule presents future certificates of participation payments as of June 30, 2021 (expressed in thousands):

Year Ending June 30	Certificates of Participation		Certificates of Participation-Private Placements	
	Principal	Interest	Principal	Interest
2022	\$ 3,140	\$ 3,270	\$ 377	\$ 43
2023	3,295	3,113	388	35
2024	3,465	2,948	393	26
2025	3,640	2,775	402	17
2026	3,815	2,593	372	8
2027-2031	21,765	10,293	-	-
2032-2036	10,530	6,379	-	-
2037-2041	13,300	3,612	-	-
2042-2046	6,290	476	-	-
<b>Total</b>	<b>\$ 69,240</b>	<b>\$ 35,459</b>	<b>\$ 1,932</b>	<b>\$ 129</b>

### H. Tuition Benefits Payable

The Higher Education Tuition Trust Fund, an enterprise fund, reports benefits payable as shown in Section A based upon the actuarial present value (APV) of the future tuition obligations and administrative expenses that will be paid in future years. The present value calculation includes the effects of projected tuition and fee increases and termination of contracts as follows (expressed in thousands):

APV of the future tuition obligation	\$ 208,140
Net position available	427,286
Net position as a percentage of tuition benefits obligation	205.29 %

The actuarial valuation used an investment yield assumption of 5.00% per year and tuition growth assumptions as follows:

	Universities	Community Colleges
2022-23	2.80%	2.80%
2023-24	2.50%	2.50%
2024-25	1.90%	1.90%
2025-26 and later	4.00%	3.50%

### I. Arbitrage Rebate Requirement

The Tax Reform Act of 1986 imposes a rebate requirement with respect to some bonds issued by the State. Under this requirement, an amount equal to the sum of (a) the excess of the aggregate amount earned on all investments (other than certain specified exceptions) over the amount that would have been earned if all investments were invested at a rate equal to the yield on the bonds, and (b) any income earned on the excess described in (a) must be rebated to the United States Treasury, in order for the interest on the bonds to be excluded from gross income for federal income tax purposes. In accordance with the Internal Revenue Service Regulations, arbitrage rebate liability calculated as of June 30, 2021 is \$0.

### J. Conduit Debt Obligations

The State has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of commercial facilities deemed to be in the public interest. During the 2013 session, the Nevada Legislature

## Notes to the Financial Statements

*For the Year Ended June 30, 2021*

enacted the Charter School Financing Law, which authorizes the issuance of Charter School Bonds and other obligations to finance the acquisition, construction, improvement, maintenance or furnishing of land, buildings and facilities for Charter Schools in the State of Nevada. The above two types of bonds are secured by the properties financed and are payable solely from payments received on the underlying mortgage loans. The State is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2021 there are seven series of Industrial Revenue Bonds and five series of Charter School Bonds outstanding, with an aggregate principal amount payable of \$381,930,000.

### **K. Pledged Revenue**

*Pledged motor vehicle and special fuel tax* - The State has pledged a portion of future motor vehicle fuel and special fuel tax revenues as well as federal aid for eligible projects to repay the Highway Improvement Revenue Bonds that were issued for highway construction projects and property acquisition purposes. As of June 30, 2021, the outstanding balance of Highway Improvement Revenue and Refunding bonds is \$805,065,000. The total of principal and interest remaining on the bonds is \$1,069,757,084 payable through December 2041. Upon completion of eligible projects, federal aid of \$378,000,000 is expected to be received in fiscal year 2022. For the current year, principal and interest paid was \$76,762,891 and total motor vehicle fuel and special fuel tax revenues were \$323,718,042.

*Pledged future lease rental payments* – With respect to each series of Lease Revenue Certificates of Participation, the NRPC, a blended component unit, has pledged its rights, title and interest in the applicable Ground Lease and Lease Purchase Agreement to the Trustee (including the right to receive payments of base rent and other payments). As of June 30, 2021, the outstanding balance of Lease Revenue Certificates of Participation is \$71,172,000. The total of principal and interest remaining on the certificates is \$106,760,466 payable through June 2043. In fiscal year 2021, principal and interest of \$6,838,514 was paid. Building rent of \$7,000,000 is expected to be collected in fiscal year 2022, which will be used to pay the fiscal year 2022 debt service principal and interest of \$6,830,028.

*Pledged Nevada Housing Division program funds* – The single-family bonds are payable from, and secured by, a pledge of the proceeds derived from the sale of bonds; the rights and interest of the Housing Division in all mortgage loans purchased under the various bond certificates; revenues which primarily include mortgage repayments and the net income, if any, derived as a result of foreclosure or other action taken in the event of a default on such a mortgage loan; curtailments, consisting generally of all amounts representing monthly principal payments with respect to mortgage loans which are received in advance of the scheduled amortization thereof; and all earnings realized by the investment of monies in all funds and accounts as well as all funds and accounts created by the various bond certificates.

The multi-unit bonds are payable from, and secured by, a pledge of the proceeds derived from the sale of bonds; all earnings realized from the investment of bond proceeds; after permanent financing, all revenues received from the development including housing assistance and rental payments made by tenants, notes receivable collateralized by deeds of trust and the rights to FHA insurance, draws on bank letters of credit, private mortgage and hazard insurance and condemnation proceeds.

As of June 30, 2021, the outstanding balance of single-family and multi-unit bonds is \$846,257,663. The total of principal and interest remaining on the bonds is \$1,546,582,954 payable through February 2061. In fiscal year 2021, principal and interest of \$244,984,438 was paid, pursuant to provisions of the related agreements, which permits surplus collections, resulting primarily from mortgage loan payments, to be used to retire the obligation. Total operating revenues were \$41,797,458, receipts of mortgage loans were \$116,301,511, and the proceeds from the sale of bonds were \$186,998,950 during the current year.

### **L. Pollution Remediation Obligation**

Currently there are four sites in Nevada in various stages of pollution cleanup associated with contaminated soil and groundwater. The pollution remediation liabilities associated with these sites were measured using the expected cash flow technique. Liability estimates are subject to change due to price increases or reductions, technology, or changes in applicable laws or regulations governing the remediation efforts. The State does not anticipate recovering reimbursements from the parties who caused the pollution. As of June 30, 2021 the total pollution remediation obligation is \$4,523,555.

### **M. Component Unit Obligations**

Nevada System of Higher Education (NSHE) – Bonds, notes, capital leases and compensated absences payable by NSHE at June 30, 2021 and the changes for the year then ended, consist of the following (expressed in thousands):

## Notes to the Financial Statements

For the Year Ended June 30, 2021

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds and notes payable	\$ 748,209	\$ -	\$ (65,980)	\$ 682,229	\$ 39,464
Issuance premiums (discounts)	42,752	-	(3,341)	39,411	2,995
<b>Total bonds payable</b>	790,961	-	(69,321)	721,640	42,459
Obligations under capital leases	51,409	532	(2,731)	49,210	2,652
Compensated absences obligations	63,879	46,131	(38,646)	71,364	42,108
<b>Total</b>	<u>\$ 906,249</u>	<u>\$ 46,663</u>	<u>\$ (110,698)</u>	<u>842,214</u>	<u>87,219</u>
<b>Discretely presented component units of the NSHE:</b>					
Bonds and notes payable				273	-
Obligations under capital leases				209	208
<b>Total</b>				<u>\$ 842,696</u>	<u>\$ 87,427</u>

Tuition and fees, auxiliary enterprises' revenue and certain other revenue as defined in the bond indentures secure the revenue bonds.

The following table presents annual principal and interest payments for bonds and notes payable outstanding by NSHE at June 30, 2021 (expressed in thousands):

Year Ending June 30	Principal	Interest
2022	\$ 39,464	\$ 25,999
2023	37,444	24,605
2024	33,053	23,193
2025	30,340	21,797
2026	31,068	20,373
2027-2031	142,940	83,288
2032-2036	151,950	53,125
2037-2041	96,175	30,383
2042-2046	82,400	13,634
2047-2051	37,395	1,904
	<u>682,229</u>	<u>298,301</u>
Premiums	39,411	-
<b>Total</b>	<u>\$ 721,640</u>	<u>\$ 298,301</u>

Future net minimum rental payments which are required under the capital leases by NSHE for the years ending June 30 are as follows (expressed in thousands):

Year Ending June 30	Amount
2022	\$ 5,029
2023	4,961
2024	3,119
2025	3,782
2026	3,589
2027-2031	17,049
Thereafter	<u>38,320</u>
Total minimum lease payments	75,849
Less: amount representing interest	<u>(26,639)</u>
<b>Obligations under capital leases</b>	<u>\$ 49,210</u>

Colorado River Commission (CRC) – Bonds and compensated absences payable by CRC at June 30, 2021, and the changes for the year then ended, consist of the following (expressed in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Bonds payable:</b>					
General obligation bonds	\$ 26,740	\$ -	\$ (755)	\$ 25,985	\$ 770
Issuance premiums (discounts)	(138)	-	6	(132)	-
<b>Total bonds payable</b>	26,602	-	(749)	25,853	770
Compensated absences obligations	519	182	(113)	588	368
<b>Total</b>	<u>\$ 27,121</u>	<u>\$ 182</u>	<u>\$ (862)</u>	<u>\$ 26,441</u>	<u>\$ 1,138</u>

## Notes to the Financial Statements

For the Year Ended June 30, 2021

Scheduled maturities for bonds payable by CRC for the years ending June 30 are as follows (expressed in thousands):

Year Ending June 30	Principal	Interest
2022	\$ 770	\$ 1,015
2023	800	994
2024	815	971
2025	835	945
2026	865	916
2027-2031	4,825	4,085
2032-2036	5,845	3,027
2037-2041	6,700	1,678
2042-2046	4,530	294
<b>Total</b>	<b>\$ 25,985</b>	<b>\$ 13,925</b>

### N. Short-Term Obligations

*Primary Government* - There was no short-term debt outstanding at July 1, 2020 or June 30, 2021.

## 10. Pensions

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

The aggregate pension related amounts for the primary government consist of a net pension liability of \$2,354,762,771, deferred outflows of resources of \$382,708,520, deferred inflows of resources of \$153,275,419, pension expenditures of \$205,993,230 and pension expense of \$6,762,103. Pension expenditures and expense total \$212,755,333. The State's defined benefit pension plans are described in detail below.

The aggregate pension related amounts for discretely presented component units consist of a net pension liability of \$430,389,790, deferred outflows of resources of \$72,793,009, deferred inflows of resources of \$21,880,761 and pension expense of \$50,532,111.

### A. Public Employees' Retirement System of Nevada

*Plan Description* – The Public Employees' Retirement System (PERS) was established in 1947 by the Nevada Legislature and is governed by the Public Employees' Retirement Board whose seven members are appointed by the governor. PERS administers a cost-sharing multiple-employer defined benefit pension plan that covers qualified State employees and employees of participating local government entities in the State. Any public employer in the State may elect to have its regular and police/fire employees covered by PERS. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERS issues a publicly available financial report that includes financial statements and the required supplementary information for the System. That report may be obtained on the PERS website at [www.nvpers.org](http://www.nvpers.org).

*Pension Benefits* – Benefits provided to participants or their beneficiaries include retirement, disability, and survivor benefits. Benefits, as required by statute, are determined by the number of years of accredited service at the time of retirement and the member's highest average compensation in any 36 consecutive months, with special provisions for members entering the System on or after January 1, 2010. Members become fully vested as to benefits upon completion of 5 years of service. Unreduced benefits are available, depending upon when the member entered the System, as follows:

## Notes to the Financial Statements

For the Year Ended June 30, 2021

Regular Members	Police/Fire Members
<u>Before January 1, 2010</u>	<u>Before January 1, 2010</u>
Age 65 with 5 years of service	Age 65 with 5 years of service
Age 60 with 10 years of service	Age 55 with 10 years of service
Any age with 30 years of service	Age 50 with 20 years of service
	Any age with 25 years of service
<u>On or after January 1, 2010</u>	<u>On or after January 1, 2010</u>
Age 65 with 5 years of service	Age 65 with 5 years of service
Age 62 with 10 years of service	Age 60 with 10 years of service
Any age with 30 years of service	Age 50 with 20 years of service
	Any age with 30 years of service
<u>On or after July 1, 2015</u>	<u>On or after July 1, 2015</u>
Age 65 with 5 years of service	Age 65 with 5 years of service
Age 62 with 10 years of service	Age 60 with 10 years of service
Age 55 with 30 years of service	Age 50 with 20 years of service
Any age with 33.3 years of service	Any age with 33.3 years of service

Members with the years of service necessary to receive a retirement benefit but who have not reached the age for an unreduced benefit may retire at any age with the benefit reduced by 4% (for members entering the System before January 2, 2010) or 6% (for members entering the System on or after January 1, 2010) for each full year they are under the required age.

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% multiplier. Lastly, for members entering the System on or after July 1, 2015, there is a 2.25% multiplier. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Retirees are eligible for annual benefit increases if they began receiving benefits at least 3 years before the effective date of the increase. Benefits are increased annually on the first day of the month following the anniversary of the commencement of benefits. The increases begin at 2% in years 4, 5 and 6; increase to 3% in years 7, 8 and 9; 3.5% in years 10, 11 and 12; 4% for years 13 and 14; and 5% in year 15 and each year thereafter. For retirees entering the System on or after January 1, 2010, increases are capped at 4% in year 13 and each year thereafter. If the benefit outpaces inflation in the period since retirement, the increase may be capped by a rolling three-year average of the Consumer Price Index (all items). For retirees entering the System on or after July 1, 2015, the increases begin at 2% in years 4, 5 and 6; increase to 2.5% in years 7, 8 and 9; the lesser of 3% or the increase, if any, in the Consumer Price Index (all items) for the preceding calendar years following year 10 and every year thereafter.

**Member and Employer Contributions** - The authority for establishing and amending the obligation to make contributions, and member contribution rates, is set by statute. New hires of the State of Nevada and public employers have the option of selecting either the employee/employer contribution plan or the employer-pay contribution plan. Under the employee/employer contribution plan, the employee and the employer each make matching contributions. Under the employer-pay contribution plan, the employer pays all contributions on the employee's behalf; however, the employee shares equally in the cost of the contribution rate either through salary reduction or in lieu of a promised pay increase.

PERS' basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due. Although PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis, contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

## Notes to the Financial Statements

For the Year Ended June 30, 2021

Required contribution rates for employers and for active plan members, as a percentage of covered payroll, for the fiscal year ended June 30, 2021, were as follows:

	Statutory Rate	
	Employer	Employees
<b>Regular employees:</b>		
Employer-pay plan	29.25 %	-
Employee/employer plan (matching rate)	15.25 %	15.25 %
<b>Police and Fire employees:</b>		
Employer-pay plan	42.50 %	-
Employee/employer plan (matching rate)	22.00 %	22.00 %

The primary government contributions recognized as part of pension expense for the current fiscal year ended June 30, 2021, were \$176,299,827 and discretely presented component unit contributions totaled \$31,024,007.

*Pension Liabilities, Pension Expenditure/Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Primary Government* - At June 30, 2021, the State reported a liability of \$2,345,466,764, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The State's proportion of the net pension liability was based on the State's share of contributions in PERS pension plan relative to the total contributions of all participating PERS employers and members. At June 30, 2020, the State's proportion was 16.84%, an increase of .13% from its proportion measured at June 30, 2019.

For the year ended June 30, 2021, the State recognized pension expenditure of \$203,405,314 and pension expense of \$6,762,103. At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 72,872	\$ (30,286)
Changes of assumption	65,882	-
Net difference between projected and actual earnings on pension plan investments	-	(88,602)
Changes in proportionate share of contributions	63,879	(30,067)
State contributions subsequent to the measurement date	175,008	-
<b>Total</b>	<b>\$ 377,641</b>	<b>\$ (148,955)</b>

Deferred outflows of resources of \$175,007,871 for contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (expressed in thousands):

<b>Year Ended June 30:</b>	
2022	\$ (24,534)
2023	33,126
2024	22,110
2025	18,216
2026	4,396
Thereafter	364

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Nevada System of Higher Education (NSHE)* - At June 30, 2021, the NSHE reported a liability of \$424,238,000, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The NSHE's proportion of the net pension liability was based on the NSHE's share of contributions in PERS pension plan relative to the total contributions of all participating PERS employers and members. At June 30, 2020, the NSHE's proportion was 3.05%, an increase of .01% from its proportion measured at June 30, 2019.

## Notes to the Financial Statements

For the Year Ended June 30, 2021

For the year ended June 30, 2021, the NSHE recognized pension expense of \$50,000,000. At June 30, 2021, the NSHE reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,181	\$ (5,478)
Changes of assumption	11,916	-
Net difference between projected and actual earnings on pension plan investments	-	(16,026)
Changes in proportionate share of contributions	15,447	(1)
NSHE contributions subsequent to the measurement date	31,286	-
<b>Total</b>	<b>\$ 71,830</b>	<b>\$ (21,505)</b>

Deferred outflows of resources of \$31,286,000 for contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (expressed in thousands):

<b>Year Ended June 30:</b>	
2022	\$ (35,545)
2023	17,685
2024	20,424
2025	14,290
2026	2,041
Thereafter	144

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Colorado River Commission (CRC)* - At June 30, 2021, the CRC reported a liability of \$6,151,790, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The CRC's proportion of the net pension liability was based on the CRC's share of contributions in PERS pension plan relative to the total contributions of all participating PERS employers and members. At June 30, 2020, the CRC's proportion was .04%, no change from its proportion measured at June 30, 2019.

For the year ended June 30, 2021, the CRC recognized pension expense of \$532,111. At June 30, 2021, the CRC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 191	\$ (80)
Changes of assumption	173	-
Net difference between projected and actual earnings on pension plan investments	-	(232)
Changes in proportionate share of contributions	158	(64)
CRC contributions subsequent to the measurement date	441	-
<b>Total</b>	<b>\$ 963</b>	<b>\$ (376)</b>

Deferred outflows of resources of \$440,847 for contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (expressed in thousands):

<b>Year Ended June 30:</b>	
2022	\$ (62)
2023	90
2024	59
2025	47
2026	10
Thereafter	2



## Notes to the Financial Statements

For the Year Ended June 30, 2021

*Actuarial Assumptions* – The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<i>Inflation rate:</i>	2.75%
<i>Payroll growth:</i>	5.00%, including inflation
<i>Investment rate of return:</i>	7.50%
<i>Productivity pay increase:</i>	0.50%
<i>Projected salary increases:</i>	Regular: 4.25% to 9.15%, depending on service Police/Fire: 4.55% to 13.90%, depending on service Rates include inflation and productivity increases
<i>Consumer price index:</i>	2.75%
<i>Other assumptions:</i>	Same as those used in the June 30, 2020, funding actuarial valuation

Mortality rates were based on the Headcount-Weighted RP-2014 Healthy Annuitant Table projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries. For ages less than 50, mortality rates are based on the Headcount-Weighted RP-2014 Employee Mortality Tables. Those mortality rates are adjusted by the ratio of the mortality rate for healthy annuitants at age 50 to the mortality rate for employees at age 50. The mortality rates are then projected to 2020 with Scale MP-2016. Mortality rates for disabled members were based on the Headcount-Weighted RP-2014 Disabled Retiree Table, set forward four years. Mortality rates for pre-retirement members were based on the Headcount-Weighted RP-2014 Employee Table, projected to 2020 with Scale MP-2016.

Actuarial assumptions used in the June 30, 2020, valuation were based on an experience study for the period from July 1, 2012, through June 30, 2016.

*Investment Policy* - The PERS Board evaluates and establishes the investment portfolio target asset allocations and the expected real rates of return (expected returns, net of investment expenses and inflation) for each asset class. The Board reviews these asset allocations and capital market expectations annually. The System's target asset allocations and current long-term geometric expected real rates of return for each asset class included in the fund's investment portfolio as of June 30, 2020, are included in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Geometric Expected Real Rate of Return</b>
U.S. stocks	42%	5.50%
International stocks	18%	5.50%
U.S. bonds	28%	0.75%
Private markets	12%	6.65%

*Discount Rate* – The discount rate used to measure the total pension liability was 7.5% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employers and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except that projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2020.

*Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate* – The following presents the proportionate share of the net pension liability at June 30, 2020, calculated using the discount rate of 7.5%, as well as what

## Notes to the Financial Statements

For the Year Ended June 30, 2021

the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate (expressed in thousands):

	1% Decrease in Discount Rate (6.5%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
Primary government - net pension liability	\$ 3,658,022	\$ 2,345,467	\$ 1,254,175
Nevada System of Higher Education - net pension liability	661,647	424,238	226,850
Colorado River Commission - net pension liability	9,594	6,152	3,290

*Pension Plan Fiduciary Net Position* – Detailed information about the pension plan’s fiduciary net position is available in the separately issued PERS’ report.

*Payables to the Pension Plan* – At June 30, 2021, the primary government reported payables to the defined benefit pension plan of \$17,713,750 for legally required employer contributions, and \$8,484,151 for legally required employee contributions withheld from employee wages, not yet remitted to PERS.

### B. Legislators’ Retirement System of Nevada

*Plan Description* – The Legislators’ Retirement System (LRS) is a single-employer defined benefit pension plan established in 1967 by the Nevada Legislature (NRS 218C) and is governed by the Public Employees’ Retirement Board whose seven members are appointed by the governor. All State Legislators are members. LRS issues a publicly available financial report that includes financial statements and the required supplementary information for the System. LRS’ financial report may be obtained from the Public Employees’ Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

At June 30, 2020, the LRS pension plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	73
Inactive vested members	11
Inactive non-vested members	32
Active members	32
<b>Total</b>	<b>148</b>

*Pension Benefits* – Benefits are determined by the number of years of accredited service at the time of retirement. Service years include the entire election term whether or not the Legislature is in session. Benefits payments to which participants may be entitled under the plan include pension and survivor benefits. Monthly benefit allowances are \$25 for each year of service up to 30 years.

If a Legislator is newly elected after July 1, 1985, they must have at least 10 years of service, be age 60, and no longer be a Legislator in order to retire without benefit reduction. If a Legislator is no longer serving and has at least 10 years of service but is under the age of 60, they can elect to wait to receive their benefit until the age of 60 or begin receiving a reduced benefit prior to the age of 60. The minimum requirement for an unreduced benefit for a Legislator elected prior to July 1, 1985, is 8 years of accredited service at age 60.

Members are eligible for post-retirement benefit increases based on their effective date of membership. For members with an effective date of membership before January 1, 2010, the lesser of: (a) 2% per year following the third anniversary of the commencement of benefits, 3% per year following the sixth anniversary, 3.5% per year following the ninth anniversary, 4% per year following the twelfth anniversary and 5% per year following the fourteenth anniversary, or (b) the average percentage increase in the Consumer Price Index (or other Board approved index) for the three preceding years. In any event, a member’s benefit must be increased by the percentages in (a) if it has not been increased at a rate greater than or equal to the average of the Consumer Price Index (CPI) (All items) (or other Board approved index) for the period between retirement and the date of increase. For members with an effective date of membership on or after January 1, 2010, and prior to July 1, 2015, same as above, except the increases in (a) above do not exceed 4% per year. For members with an effective date of membership on or after July 1, 2015, 2% per year following the third through fifth anniversaries of the commencement of benefits; 2.5% per year following the sixth through eighth anniversaries. On succeeding anniversaries, the annual increase shall be the lesser of 3% or the CPI for the preceding calendar year. For future retirees, those hired prior to 2010 are assumed to reach the cap after 16 years of retirement. Those hired in between 2010 and 2015 are also assumed to reach the cap after 16 years of retirement.

## Notes to the Financial Statements

For the Year Ended June 30, 2021

Those hired after 2015 will never receive an annual increase that exceeds 2.75%. Underlying all of these assumptions is that CPI will grow over time at a rate of 2.75% per year.

*Member and Employer Contributions* - The employee contribution of 15% of compensation is paid by the employee only when the Legislature is in session, as required by statute. The Legislature holds sessions every two years. Prior to 1985, the employee contributions were matched by the employer. The 1985 Legislators' Retirement Act includes NRS 218C.390(2) which states, "The Director of the Legislative Counsel Bureau shall pay to the Board from the Legislative Fund an amount as the contribution of the State of Nevada as employer which is actuarially determined to be sufficient to provide the System with enough money to pay all benefits for which the System will be liable." The Legislature appropriated \$165,692 for fiscal years 2021 and 2022, which is the required State contribution as determined by the actuary. This amount was paid by the State of Nevada to the Legislative fund during fiscal 2021, of which \$82,846 (half) was recognized as employer contributions in the fiscal year 2021, and the other half will be recognized as employer contributions in fiscal year 2022.

State contributions recognized as part of pension expense for the fiscal year ended June 30, 2021, were \$82,846.

LRS' basic funding policy provides for contributions by the State based on a biennial actuarial valuation prepared per NRS 281C.390(2). The Actuarially Determined Employers' Contribution (ADEC) includes the employer's normal cost and a provision for amortizing the Unfunded Actuarial Accrued Liability (UAAL). Beginning July 1, 2014, actuarial valuations are done annually. Effective with the January 1, 2009 valuation, the UAAL is amortized as a level dollar amount over a declining amortization period of 20 years. Any increases or decreases in the UAAL that arise in future years will be amortized over separate 20-year periods. In addition, the Actuarial Value of Assets (AVA) was limited to not less than 75% or greater than 125% of market value. The actuarial funding method used is the Entry Age Normal Cost Method.

*Pension Liabilities, Pension Expenditure, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions* – At June 30, 2021, the State reported a net pension liability of \$147,172. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

For the year ended June 30, 2021, the State recognized pension expense of \$73,351. At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ (27)
Differences between expected and actual experience	9	-
State contributions subsequent to the measurement date	83	-
<b>Total</b>	<b>\$ 92</b>	<b>\$ (27)</b>

Deferred outflows of resources of \$82,846 for contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (expressed in thousands):

Year Ended June 30	
2022	\$ (32)
2023	(4)
2024	9
2025	9
2026	-
Thereafter	-

## Notes to the Financial Statements

For the Year Ended June 30, 2021

The following table presents the changes in the net pension liability for LRS for the year ended June 30, 2020 (expressed in thousands):

	<b>2020</b>
<b>Total pension liability</b>	
Service cost	\$ 33
Interest	349
Difference between expected and actual experience	56
Benefit payments, including refunds	(427)
Net change in total pension liability	11
Total pension liability - beginning	4,830
<b>Total pension liability - ending (a)</b>	<b>\$ 4,841</b>
<b>Plan fiduciary net position</b>	
Contributions - employer	\$ 98
Contributions - plan member	25
Net investment income	294
Benefit payments, including refunds	(427)
Administration expenses	(80)
Other	81
Net change in plan fiduciary net position	(9)
Plan fiduciary net position - beginning	4,703
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 4,694</b>
<b>Net pension liability - beginning</b>	<b>\$ 127</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 147</b>
Plan fiduciary net position as a percentage of total pension liability	97%
Covered payroll	N/A
Net pension liability as a percentage of covered payroll	N/A

*Actuarial Assumptions* – The State’s net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<i>Inflation rate:</i>	2.75%
<i>Investment rate of return:</i>	7.50%
<i>Projected salary increases:</i>	2.75%
<i>Consumer price index:</i>	2.75%
<i>Other assumptions:</i>	Same as those used in the June 30, 2020, funding actuarial valuation

Mortality rates were based on the Headcount-Weighted RP-2014 Mortality Tables, projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries. For ages less than 50, mortality rates are based on the Headcount-Weighted RP-2014 Employee Mortality Tables. Those mortality rates are adjusted by the ratio of the mortality rate for members at age 50 to the mortality at age 50 from the Employee mortality tables. The mortality rates are projected to 2020 with Scale MP-2016. The RP-2014 Headcount-Weighted Mortality Tables, set forward one year for spouses and beneficiaries, reasonably reflect the projected mortality experience of the Plan as of the measurement date. The additional projection of 6 years is a provision made for future mortality improvement. No pre-retirement mortality is assumed.

Actuarial assumptions used in the June 30, 2020, valuation were based on the results of the actuarial experience study for the period July 1, 2012, through June 30, 2016.

*Investment Policy* – The Retirement Board evaluates and establishes the investment portfolio target asset allocations and the expected real rates of return (expected returns, net of investment expenses and inflation) for each asset class. The Board reviews these asset allocations and capital market expectations annually. The System’s target asset allocations and current long-term expected real rates of return for each asset class included in the fund’s investment portfolio as of June 30, 2020, are included in the following table.

## Notes to the Financial Statements

For the Year Ended June 30, 2021

Asset Class	Target Allocation	Long-term Geometric Expected Real Rate of Return
U.S. stocks	50%	5.50%
International stocks	22%	5.50%
U.S. bonds	28%	0.75%

**Discount Rate** – The discount rate used to measure the total pension liability was 7.5% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** – The following presents the net pension liability calculated using the discount rate of 7.5%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate (expressed in thousands):

	1% Decrease in Discount Rate (6.5%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
Net pension liability	\$ 564	\$ 147	\$ (210)

**Pension Plan Fiduciary Net Position** – Detailed information about the pension plan's fiduciary net position is available in the separately issued LRS report.

**Payables to the Pension Plan** – At June 30, 2021, the State had no payables to the defined benefit pension plan for legally required employer contributions.

### C. Judicial Retirement System of Nevada

**Plan Description** – The Judicial Retirement System (JRS) is an agent multiple-employer defined benefit pension plan established in 2001 by the Nevada Legislature (NRS 1A.160) and is governed by the Public Employees' Retirement Board whose seven members are appointed by the governor. The JRS was established to provide benefits in the event of retirement, disability, or death of justices of the Supreme Court, district judges, municipal court judges and justices of the peace, funded on an actuarial reserve basis. JRS issues a publicly available financial report that includes financial statements and the required supplementary information for the System. JRS' financial report may be obtained from the Public Employees' Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

At June 30, 2020, the JRS pension plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	82
Inactive vested members	2
Active members	112
<b>Total</b>	<b>196</b>

**Pension Benefits** - Benefits are paid according to various options contained in pertinent statutes, dependent upon whether a member was serving as a Supreme Court justice or district judge before November 5, 2002. Retiring members who were serving as a judge before November 5, 2002, may select among the two benefit options below. Retiring members who began serving as a justice or judge on or after November 5, 2002, may select only the first option below.

**Option 1 - 2003 Benefit Plan:** Benefits, as required by statute, are computed at 3.4091% per year of accredited service at the time of retirement times the member's highest average compensation in any 36 consecutive months, to a maximum of 75%.

## Notes to the Financial Statements

For the Year Ended June 30, 2021

Benefit payments to which participants may be entitled under the plan include pension benefits, disability benefits and survivor benefits.

**Option 2 – Previous Benefit Plan:** Retiring members who were serving as a Supreme Court justice or district judge prior to November 5, 2002 may select benefit payments computed at 4.1666% for each year of service, up to a total maximum of 22 years, times the member's compensation for their last year of service.

Members who retired under the Previous Benefit Plan (plan in effect before November 5, 2002) and are appointed as senior judges can earn service credit while receiving their pension payments. They are eligible to have their benefit recalculated each time they earn an additional year of service credit.

Members enrolled in the Judicial Retirement Plan on or after July 1, 2015, will receive 3.1591% for each year of service. Each member is entitled to a benefit of not more than 75% and must contribute 50% of the contribution rate through payroll deductions.

Members of the System become fully vested after five years of service. A member of the System is eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, or at any age with 30 years of service. For those members who were serving as a Supreme Court justice or district judge prior to November 5, 2002, and selected the second benefit option, eligibility for retirement is at age 60 with five years of service.

Members enrolled on or after July 1, 2015, become fully vested after five years of service. Eligible retirement age is 65 with five years of service, at age 62 with 10 years of service, age 55 with 30 years of service, and at any age with 33 1/3 years of service.

**Member and Employer Contributions** –The participating employers submit the percentage of compensation determined by the actuary to pay the normal costs and administrative expenses. Also, the participating employers pay to the JRS an amount on the unfunded liability which is actuarially determined to be sufficient to enable the JRS to pay all current benefits for which the JRS is liable.

JRS' basic funding policy provides for contributions by the participating employers based on an actuarial valuation prepared per Nevada Revised Statute (NRS 1A.180(1)). The amount of the annual contribution required to fund the System is comprised of a normal cost payment and a payment on the unfunded Actuarial Accrued Liability (UAAL). Effective January 1, 2009, UAAL is amortized over a year-by-year closed amortization period as a level percent of pay (3% payroll growth assumed) where each amortization period will be set at 30 years for State judges (Supreme Court justices and district judges) and 20 years for each non-state agency. Any increases or decreases in UAAL that arise in future years will be amortized over separate 30-year periods for State judges and 20-year periods for non-state judges. The actuarial funding method used is the Entry Age Normal Cost Method.

The State's annual actuarially determined contribution to fund the System at June 30, 2021, was \$5,254,984 and the actual contribution made was \$4,851,453.

**Pension Liability, Pension Expenditure, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** – At June 30, 2021, the State reported a liability of \$9,148,835 for its net pension liability for the JRS pension plan. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The State's net pension liability was based on an individual basis and based on the plan provisions and benefit accrual rates applicable to that individual.

For the year ended June 30, 2021, the State recognized pension expenditure of \$2,514,565. At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 108	\$ (3,970)
Change of assumptions	7	-
Net difference between projected and actual earnings on pension plan investments	-	(182)
Changes in proportion and differences between State contributions and proportionate share of contributions	9	(142)
State contributions subsequent to the measurement date	4,851	-
<b>Total</b>	<b>\$ 4,975</b>	<b>\$ (4,294)</b>

## Notes to the Financial Statements

For the Year Ended June 30, 2021

Deferred outflows of resources of \$4,851,453 for contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (expressed in thousands):

Year Ended June 30:	
2022	\$ (2,330)
2023	(1,351)
2024	(430)
2025	(59)
2026	-
Thereafter	-

The following table presents the changes in the net pension liability for JRS for the year ended June 30, 2020 (expressed in thousands):

	2020
<b>Total pension liability</b>	
Service cost	\$ 4,117
Interest	11,034
Differences between expected and actual experience	(3,301)
Benefit payments, including refunds	(6,594)
Net change in total pension liability	5,256
Total pension liability - beginning	146,304
<b>Total pension liability - ending (a)</b>	<b>\$ 151,560</b>
<b>Plan fiduciary net position</b>	
Contributions - employer	\$ 5,334
Employee purchase of service	635
Net investment income	8,418
Benefit payments, including refunds	(6,594)
Administrative expenses	(109)
Net change in plan fiduciary net position	7,684
Plan fiduciary net position - beginning	133,658
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 141,342</b>
<b>Net pension liability - beginning</b>	<b>\$ 12,646</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 10,218</b>
Plan fiduciary net position as a percentage of total pension liability	93%
Covered payroll (measurement as of end of fiscal year)	\$ 20,561
Net pension liability as a percentage of covered payroll	50%

*Actuarial Assumptions* – The State's net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<i>Inflation rate:</i>	2.75%
<i>Investment rate of return:</i>	7.50%
<i>Projected salary increases:</i>	3.00% to 8.00%, varying by service
<i>Consumer Price Index:</i>	2.75%
<i>Other assumptions:</i>	Same as those used in the June 30, 2020, funding actuarial valuation

Post-Retirement mortality rates were based on Headcount-Weighted RP-2014 Healthy Annuitant Mortality Tables, projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries. For ages less than 50, mortality rates are based on the Headcount-Weighted RP-2014 Employee Mortality Tables. Those mortality rates are adjusted by the ratio of the mortality rate for members at age 50 to the mortality at age 50 from the Employee mortality tables. The mortality rates are then projected to 2020 with Scale MP-2016. Pre-Retirement mortality rates were based on Headcount-Weighted RP-2014 Employee Mortality Tables, projected to 2020 with Scale MP-2016.

## Notes to the Financial Statements

For the Year Ended June 30, 2021

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of the actuarial experience study for the period July 1, 2012, through June 30, 2016.

*Investment Policy* – The Retirement Board evaluates and establishes the investment portfolio target asset allocations and the expected real rates of return (expected returns, net of investment expenses and inflation) for each asset class. The Board reviews these asset allocations and capital market expectations annually. The System's target asset allocations and current long-term expected real rates of return for each asset class included in the fund's investment portfolio as of June 30, 2020, are included in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Arithmetic Real Rate of Return</u>
U.S. stocks	49%	6.60%
International stocks	21%	7.37%
U.S. bonds	30%	0.36%

*Discount Rate* – The discount rate used to measure the total pension liability was 7.5% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions will be made monthly at the current contribution rate and the payment to amortize the unfunded actuarial liability is assumed to be paid at the end of the year for State and monthly for non-state agencies. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate* – The following presents the State's proportionate share of the net pension liability using the discount rate of 7.5%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate (expressed in thousands):

	<u>1% Decrease in Discount Rate (6.5%)</u>	<u>Discount Rate (7.5%)</u>	<u>1% Increase in Discount Rate (8.5%)</u>
Net pension liability	\$ 24,269	\$ 9,149	\$ (3,702)

*Pension Plan Fiduciary Net Position* – Detailed information about the pension plan's fiduciary net position is available in the separately issued JRS report.

*Payables to the Pension Plan* – At June 30, 2021, the State reported payables to the defined benefit pension plan of \$279,345 for legally required employer contributions not yet remitted to JRS.

## 11. Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the State's net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State's OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Plan assets are reported at fair value.

*Plan description* – Officers and employees of the State of Nevada and of certain other participating local governmental agencies within the State of Nevada are provided with OPEB through the Nevada Public Employees' Benefits Program (PEBP), a multiple-employer cost-sharing defined postemployment benefit plan. The program is administered by the PEBP Board, whose ten members are appointed by the governor. NRS 287.023 provides officers and employees eligible to be covered by any group insurance, plan of benefits or medical and hospital service established pursuant to NRS 287 the option upon retirement to cancel or continue any such coverage. The cost to administer the program is financed through the contributions and investment earnings of the plan. NRS 287.043 grants the PEBP Board the authority to establish and amend the benefit terms of the



## Notes to the Financial Statements

*For the Year Ended June 30, 2021*

program. PEBP issues a publicly available financial report that includes financial statements and the required supplementary information for the plan. That report may be obtained from Public Employees' Benefits Program, 901 South Stewart Street, Suite 1001, Carson City, NV 89701.

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

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

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

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

*Contributions* – The State Retirees' Fund was established in 2007 by the Nevada Legislature as an irrevocable trust fund to account for the financial assets designated to offset the portion of current and future costs of health and welfare benefits paid on behalf of State retirees (NRS 287.0436). The money in the State 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 State 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. According to NRS 287.046 the Office of Finance shall establish an assessment that is to be used to pay for a portion of the cost of premiums or contributions for the Program for persons who were initially hired before January 1, 2012, and have retired with State service. The money assessed must be deposited into the State Retirees' Fund and must be based upon an amount approved by the Legislature each session to pay for a portion of the current and future health and welfare benefits for persons who retired before January 1, 1994, or for persons who retire on or after January 1, 1994, as adjusted by the years of service subsidy rates. The required contribution rate for employers (the retired employees group insurance rate), as a percentage of covered-employee payroll, for the fiscal year ended June 30, 2021 was 2.36%. Contributions recognized as part of OPEB expense for the current fiscal year ended June 30, 2021 were \$23,290,075 for the primary government, \$15,857,000 for the Nevada System of Higher Education, and \$62,775 for the Colorado River Commission.

*OPEB Liabilities, OPEB Expenditure/Expense, Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB - Primary Government* - At June 30, 2021, the State reported a liability of \$882,305,983, for its proportionate share of the collective net OPEB liability. The collective net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of January 1, 2020. The State's proportion of the collective net OPEB liability was based on the State's share of contributions in the OPEB plan relative to the total contributions of all participating OPEB employers and members. At June 30, 2021, the State's proportion was 58.68%, an increase of .54% from its proportion measured at June 30, 2020.

## Notes to the Financial Statements

For the Year Ended June 30, 2021

For the year ended June 30, 2021, the State recognized OPEB expenditure of \$55,957,877 and OPEB expense of \$2,061,958. At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (44,628)
Changes of assumptions	70,639	(17,846)
Net differences between projected and actual investment earnings on OPEB plan investments	-	(185)
Contributions subsequent to the measurement date and implicit subsidy paid	31,336	-
Total	<u>\$ 101,975</u>	<u>\$ (62,659)</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$23,290,075 resulting from State contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (expressed in thousands):

Year Ended June 30:		
2022	\$	(7,312)
2023		3,494
2024		6,860
2025		4,938
2026		-
Thereafter		-

*OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB - Nevada System of Higher Education (NSHE)* - At June 30, 2021, the NSHE reported a liability of \$606,769,000, for its proportionate share of the collective net OPEB liability. The collective net OPEB liability was measured as of July 1, 2020, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of January 1, 2020. The NSHE's proportion of the collective net OPEB liability was based on the NSHE's share of contributions in the OPEB plan relative to the total contributions of all participating OPEB employers and members. At June 30, 2021, the NSHE's proportion was 40.35%, a decrease of .50% from its proportion measured at June 30, 2020.

For the year ended June 30, 2021, the NSHE recognized OPEB expense of \$27,672,000. At June 30, 2021, the NSHE reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (30,691)
Changes of assumptions	48,579	(12,273)
Net differences between projected and actual investment earnings on OPEB plan investments	-	(128)
Contributions subsequent to the measurement date	15,857	-
Total	<u>\$ 64,436</u>	<u>\$ (43,092)</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$15,857,000 resulting from NSHE contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2022.

## Notes to the Financial Statements

For the Year Ended June 30, 2021

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (expressed in thousands):

Year Ended June 30:		
2022	\$	(5,030)
2023		2,403
2024		4,718
2025		3,396
2026		-
Thereafter		-

*OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB - Colorado River Commission (CRC)* - At June 30, 2021, the CRC reported a liability of \$2,376,085, for its proportionate share of the collective net OPEB liability. The collective net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The CRC's proportion of the collective net OPEB liability was based on the CRC's share of contributions in the OPEB plan relative to the total contributions of all participating OPEB employers and members. At June 30, 2021, the CRC's proportion was 0.1580%, a decrease of 0.0047% from its proportion measured at June 30, 2020.

For the year ended June 30, 2021, the CRC recognized OPEB expense of \$135,540. At June 30, 2021, the CRC reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 190	\$ (48)
Net differences between projected and actual investment earnings on OPEB plan investments	-	(121)
Contributions subsequent to the measurement date and implicit subsidy paid	84	-
Total	<u>\$ 274</u>	<u>\$ (169)</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$62,775 resulting from CRC contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (expressed in thousands):

Year Ended June 30:		
2022	\$	(19)
2023		9
2024		18
2025		13
2026		-
Thereafter		-

*Actuarial Assumptions* – The total OPEB liability was determined by an actuarial valuation as of January 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

<i>Inflation:</i>	2.50%
<i>Salary increases:</i>	0.50% productivity pay increase, 2.91% average promotional and merit salary increase
<i>Investment rate of return:</i>	2.21% based on a 20-Year Municipal Bond Index
<i>Healthcare cost trend rates:</i>	6.25% initially, decreasing to a 4.50% long-term trend rate after ten years

Healthy mortality rates for Pre-Retirement were based on Pub-2010 Public Retirement Safety Mortality Table weighted by Headcount, projected by MP-2019. Post-Retirement were based on Pub-2010 Public Retirement Plans General Mortality Table weighted by Headcount, projected by MP-2019. Disability Pre-Retirement were based on Pub-2010 Public Retirement

## Notes to the Financial Statements

For the Year Ended June 30, 2021

Safety Disabled Mortality Table weighted by Headcount, projected by MP-2019. Post Retirement were based on Pub-2010 Public Retirement Plans General Disability Mortality Table weighted by Headcount, projected by MP-2019.

The actuarial assumptions used in the January 1, 2020 valuation were based upon certain demographic and other actuarial assumptions as recommended by the actuary Aon, in conjunction with the State and guidance from the GASB statement.

**Discount Rate** – The discount rate used to measure the total OPEB liability was 2.21%, which is consistent with a 20-Year Municipal Bond Index. The Bond Buyer General Obligation 20-Bond Municipal Bond Index is used for the determination of the discount rate. The assets in the trust as of June 30, 2020 are less than the expected benefit payments in the first year; therefore, the crossover period is assumed to be in the first year, which provides additional support for continuing the discount rate at the 20-Year Municipal Bond Index rate.

**Sensitivity of the Proportionate Share of the Collective Net OPEB Liability to Changes in the Discount Rate** – The following presents the proportionate share of the collective net OPEB liability, as well as what the proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate (expressed in thousands):

	1% Decrease in Discount Rate (1.21%)	Discount Rate (2.21%)	1% Increase in Discount Rate (3.21%)
State's proportionate share of the collective net OPEB liability	\$ 987,867	\$ 882,306	\$ 793,034
NSHE's proportionate share of the collective net OPEB liability	679,004	606,769	545,734
CRC's proportionate share of the collective net OPEB liability	2,659	2,376	2,137

**Sensitivity of the Proportionate Share of the Collective Net OPEB Liability to Changes in the Healthcare Cost Trend Rates** – The following presents the proportionate share of the collective net OPEB liability, as well as what the proportionate share of the collective net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates (expressed in thousands):

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State's proportionate share of the collective net OPEB liability	\$ 825,250	\$ 882,306	\$ 950,611
NSHE's proportionate share of the collective net OPEB liability	567,531	606,769	653,742
CRC's proportionate share of the collective net OPEB liability	2,222	2,376	2,560

**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, 2021, the primary government and the NSHE reported payables to the defined benefit OPEB plan of \$7,142 and \$121,000, respectively, for statutorily required employer contributions which had been assessed on employee salaries but not yet remitted to the State Retirees' Fund.

## 12. Risk Management

The State of Nevada established the Self-Insurance and Insurance Premiums funds in 1983 and 1979, respectively. Both funds are classified as internal service funds.

Interfund premiums are reported as interfund services provided and used. All State funds participate in the insurance program. Changes in the claims liabilities during the past two fiscal years were as follows (expressed in thousands):

## Notes to the Financial Statements

For the Year Ended June 30, 2021

	Self-Insurance	Insurance Premiums
Balance June 30, 2019	\$ 94,881	\$ 61,338
Claims and changes in estimates	303,889	15,313
Claim payments	(309,068)	(13,439)
Balance June 30, 2020	89,702	63,212
Claims and changes in estimates	300,584	21,622
Claim payments	(306,701)	(15,000)
<b>Balance June 30, 2021</b>	<b>\$ 83,585</b>	<b>\$ 69,834</b>
Due Within One Year	\$ 83,585	\$ 20,005

In accordance with GASB, a liability for claims is reported if information received before the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities include incremental claims adjustment costs. A reserve for losses has been established in both funds to account for these liabilities and is included in the liability section of the Statement of Net Position.

There was no insurance coverage for excess liability insurance.

There are several pending lawsuits or unresolved disputes involving the State or its representatives at June 30, 2021. The estimated liability for these claims has been factored into the calculation of the reserve for losses and loss adjustment expenses developed.

### A. Self-Insurance Fund

The Self-Insurance Fund administers the group health, life and disability insurance for covered employees, both active and retired, of the State and certain other participating public employers within the State. All public employers in the State are eligible to participate in the activities of the Self-Insurance Fund and currently, in addition to the State, there are four public employers whose employees are covered under the plan. Additionally, all retirees of public employers contracted with the Self-Insurance Fund to provide coverage to their active employees are eligible to join the program subsequent to their retirement. Public employers are required to subsidize their retirees who participate in the plan in the same manner the State subsidizes its retirees. Currently, the State, the Nevada System of Higher Education and one hundred sixty-five public employers are billed for retiree subsidies. The Self-Insurance Fund is overseen by the Public Employees' Benefit Program Board. The Board is composed of ten members, nine members appointed by the Governor, and the Director of the Department of Administration or their designee.

The Self-Insurance Fund is self-insured for medical, dental, vision, mental health and substance abuse benefits and assumes all risk for claims incurred by plan participants. Fully insured HMO products are also offered. Long-term disability and life insurance benefits are fully insured by outside carriers. For the self-insured benefits, fund rate-setting policies have been established after consultation with an actuary. The participating public employers, with the exception of the State, are not subject to supplemental assessment in the event of deficiencies.

The management of the Self-Insurance Fund establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and of claims that have been incurred but not reported and the unused portion of the Health Reimbursement Arrangement (HRA) liability. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Upon consultation with an actuary, claims liabilities are recomputed annually using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation, because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which claims are made.

### B. Insurance Premiums Fund

The Insurance Premiums Fund provides general, civil (tort), and auto liability insurance to State agencies, workers' compensation insurance for State employees excluding NSHE, and auto physical damage and property insurance for State agencies.

## Notes to the Financial Statements

*For the Year Ended June 30, 2021*

For the period beginning January 1, 2001, and for each calendar year thereafter, the Fund purchased a high deductible policy for workers' compensation. Liabilities in the amount of \$55,290,927 as of June 30, 2021, were determined using standard actuarial techniques as estimates for the case, reserves, incurred but not reported losses and allocated loss adjustment expenses under the plan as of June 30, 2021.

The Fund is financed by the State. The State has a maximum exposure of \$50,000 through October 1, 2007, \$75,000 through October 1, 2011, \$100,000 through June 30, 2020, \$150,000 through June 30, 2022, and \$200,000 thereafter for each general liability claim, with the exception of claims that are filed in other jurisdictions, namely, federal court. Those claims filed in federal court are not subject to the limit. Per State statute, if, as the result of future general liability or catastrophic losses, fund resources are exhausted, coverage is first provided by the reserve for statutory contingency account and would then revert to the General Fund.

The Fund is fully self-insured for general, civil and vehicle liability. The Fund is also self-insured for comprehensive and collision loss to automobiles, self-insured to \$250,000 for property loss with commercial insurance purchased to cover the excess above this amount, and commercially insured for losses to boilers and machinery and certain other risks.

At June 30, 2021, incurred but not reported claims liability for general, civil and auto liability insurance is based upon standard actuarial techniques, which take into account financial data, loss experience of other self-insurance programs and the insurance industry, the development of known claims, estimates of the cost of reported claims, incurred but not reported claims, and allocated loss adjustment expenses. The incurred but not reported claims liability for property casualty insurance is based upon the estimated cost to replace damaged property. The liability for estimated losses from reported and unreported claims in excess of the amounts paid for the workers' compensation policies is determined using standard actuarial techniques, which take into account claims history and loss development factors for similar entities. Incurred but not reported claims liabilities are included in the reserve for losses.

The State is contingently liable for the cost of post retirement heart, lung and cancer disease benefits payable under the Nevada Occupational Disease Act. Any fireman or police officer that satisfies the two-year employment period under this act is eligible for coverage under Workers' Compensation for heart and lung disease. Any fireman that satisfies the five-year employment period under this act is eligible for coverage under Workers' Compensation for cancer disease. A range of estimated losses from \$6,986,000 to \$24,995,000 for heart disease, \$8,358,310 for lung disease and \$7,756,720 for cancer disease have been determined using standard actuarial techniques. Due to the high degree of uncertainty surrounding this coverage, no accrual for these losses is reflected in the financial statements.

Loss reserve estimates are inherently uncertain because the ultimate amount the Fund will pay for many of the claims it has incurred as of the balance sheet date will not be known for many years. The estimate of loss reserves is intended to equal the difference between the expected ultimate losses of all claims that have occurred as of a balance sheet date and amounts already paid. The Fund establishes loss reserves based on its own analysis of emerging claims and review of the results of actuarial projections. The Fund's aggregate carried reserve for unpaid losses is the sum of its reserves for each accident year and represents its best estimate of outstanding loss reserves.

At June 30, 2021, total liabilities and deferred inflows of resources exceeded total assets and deferred outflows of resources by \$50,400,325. The Fund is liable for approximately \$70 million as of June 30, 2021, in potential claims settlements, which have yet to be funded through premium contributions. As NRS 331.187 provides that if money in the Fund is insufficient to pay a tort claim, the claim is to be paid from the reserve for statutory contingency account, and, as management assesses premiums to cover current claims payments, management believes that this provides the opportunity for the Fund to satisfy these liabilities.

### 13. Fund Balances and Net Position

#### A. Net Position-Restricted by Enabling Legislation

The government-wide statement of net position reports \$2,145,457,000 of net position-restricted for the primary government, of which \$161,758,832 is restricted by enabling legislation.

## Notes to the Financial Statements

For the Year Ended June 30, 2021

### B. Governmental Fund Balances

Governmental fund balances are classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the State is bound to observe constraints imposed on the use of the resources of the fund. A summary of governmental fund balances at June 30, 2021, is shown below (expressed in thousands):

	Major Governmental Funds		Nonmajor Governmental Funds	Total Governmental
	General Fund	State Highway		
<b>Fund balances:</b>				
<b>Nonspendable:</b>				
Long term notes/loans receivable	\$ 13,192	\$ -	\$ -	\$ 13,192
Inventory	102,401	22,274	477	125,152
Advances	53,200	-	-	53,200
Prepaid items	4,532	432	110	5,074
Permanent fund principal	-	-	397,036	397,036
<b>Restricted for:</b>				
Administration	75	-	2,364	2,439
Agriculture	697	-	-	697
Business and industry	13,821	-	11,002	24,823
Capital projects	-	-	71,014	71,014
Conservation and natural resources	36,699	-	9,265	45,964
Corrections	13	-	16,494	16,507
Debt service	-	-	26,310	26,310
Economic development	1,227	-	-	1,227
Education K-12	70	-	49	119
Elected officials	1,880	-	-	1,880
Gaming control	4,468	-	-	4,468
Health and human services	3,269	-	28,132	31,401
Motor vehicles	-	63,877	-	63,877
Other purposes	-	-	9,116	9,116
Public safety	1,486	22,092	-	23,578
Transportation	-	365,549	-	365,549
Veteran's services	1,234	-	-	1,234
Wildlife	15,751	-	-	15,751
<b>Committed to:</b>				
Administration	20,535	-	-	20,535
Agriculture	7,934	-	675	8,609
Business and industry	48,797	-	6,362	55,159
Cannabis compliance	2,398	-	-	2,398
Capital projects	-	-	2,952	2,952
Conservation and natural resources	108,871	-	9,224	118,095
Corrections	25,579	-	-	25,579
Debt service	-	-	249,170	249,170
Economic development	12,434	-	6,753	19,187
Education K-12	34,707	-	-	34,707
Elected Officials	119,054	-	2,171	121,225
Employment and training	2,682	-	-	2,682
Fiscal emergency	393,369	-	-	393,369
Gaming control	5,728	-	-	5,728
Health and human services	124,418	-	531	124,949
Judicial	9,704	-	-	9,704
Legislative	62,189	-	-	62,189
Military	1,678	-	-	1,678
Motor vehicles	2,626	-	-	2,626
Other purposes	6,340	-	-	6,340
Public safety	26,297	2,647	-	28,944
Silver state health insurance	6,353	-	-	6,353
Social services	-	-	70,853	70,853
Tobacco settlement program	-	-	73,375	73,375
Taxation	4,239	-	-	4,239
Transportation	-	74,920	-	74,920
Veteran's services	10,024	-	-	10,024
Wildlife	25,495	-	-	25,495
<b>Assigned to:</b>				
Administration	136	-	-	136
Conservation and natural resources	9,261	-	-	9,261
Corrections	279	-	-	279
Education K-12	360	-	-	360
Employment and training	1,969	-	-	1,969
Military	120	-	-	120
Other purposes	331	-	-	331
Veteran's services	1,332	-	-	1,332
<b>Unassigned:</b>	91,775	-	-	91,775
<b>Total fund balances</b>	<u>\$ 1,421,029</u>	<u>\$ 551,791</u>	<u>\$ 993,435</u>	<u>\$ 2,966,255</u>

## Notes to the Financial Statements

For the Year Ended June 30, 2021

### C. Individual Fund Deficit

#### Nonmajor Enterprise Funds:

*Insurance Administration and Enforcement* - The Insurance Administration and Enforcement Fund accounts for activities related to the administration and enforcement of the Nevada Insurance Code and other laws and regulations enforced by the Department of Business and Industry Division of Insurance. The fund recorded an increase in net position of \$1,960,738 for the year ended June 30, 2021, resulting in a negative net position of \$4,592,853 at June 30, 2021.

*Nevada Magazine* - The Nevada Magazine Fund accounts for the operation of the publication, Nevada Magazine, which is published to promote tourism. The fund recorded an increase in net position of \$237,898 for the year ended June 30, 2021, resulting in a negative net position of \$934,807 at June 30, 2021.

#### Internal Service Funds:

*Buildings and Grounds* - The Buildings and Grounds Fund accounts for the maintenance, housekeeping and security of most State buildings. The fund recorded an increase in net position of \$3,373,862 for the year ended June 30, 2021, resulting in a negative net position of \$940,224 at June 30, 2021.

*Communications* - The Communications Fund accounts for the operation of mail services for State agencies in Carson City, Reno, Las Vegas and Elko. The fund recorded an increase in net position of \$1,235,093 for the year ended June 30, 2021, resulting in a negative net position of \$8,988 at June 30, 2021.

*Insurance Premiums* - The Insurance Premiums Fund allocates the cost of fidelity insurance, property insurance and workers' compensation insurance to State agencies. The fund recorded a decrease in net position of \$7,506,399 for the year ended June 30, 2021, resulting in a negative net position of \$50,400,325 at June 30, 2021.

*Administrative Services* - The Administrative Services Fund provides administrative and accounting services to various divisions of the Department of Administration. The fund recorded an increase in net position of \$367,229 for the year ended June 30, 2021, resulting in a negative net position of \$3,413,694 at June 30, 2021.

*Personnel* - The Personnel Fund accounts for the costs of administering the State personnel system. The fund recorded an increase in net position of \$549,731 for the year ended June 30, 2021, resulting in a negative net position of \$6,192,533 at June 30, 2021.

*Purchasing* - The Purchasing Fund provides purchasing services to State agencies and other governmental units. The fund recorded an increase in net position of \$1,552,066 for the year ended June 30, 2021, resulting in a negative net position of \$1,529,706 at June 30, 2021.

*Information Services* - The Information Services Fund accounts for designing, programming, and maintaining data processing software and also operating the State's central computer facility, radio communication and telecommunication systems. The fund recorded an increase in net position of \$3,154,927 for the year ended June 30, 2021, resulting in a negative net position of \$13,492,395 at June 30, 2021.

## 14. Principal Tax Revenues

The principal taxing authorities for the State of Nevada are the Nevada Tax Commission and the Nevada Gaming Commission.

The Nevada Tax Commission was created under NRS 360.010 and is the taxing and collecting authority for most non-gaming taxes. The following are the primary non-gaming tax revenues:

*Sales and Use Taxes* are imposed at a minimum rate of 6.85%, with county and local option up to an additional 1.525%, on all taxable sales and taxable items of use. The State receives tax revenue of 2% of total sales with the balance distributed to local governmental entities and school districts.

*Modified Business Tax* is imposed at different rates for businesses, financial institutions and mining. Businesses other than financial institutions and mining are assessed a tax at a rate of 1.475% per calendar quarter for amounts the wages exceed



## Notes to the Financial Statements

For the Year Ended June 30, 2021

\$50,000. Modified Business Tax is imposed on financial institutions and mining at 2% on gross wages paid by the employer during the calendar quarter. There is an allowable deduction from the gross wages for amounts paid by the employer for qualified health insurance or a qualified health benefit plan.

*Insurance Premium Tax* is imposed at 3.5% on insurance premiums written in Nevada. A “Home Office Credit” is given to insurance companies with home or regional offices in Nevada.

*Motor Vehicle Fuel Tax* is levied at 29.35 cents per gallon on gasoline and gasohol sales. 17.65 cents of the tax goes to the State Highway Fund, 5.35 cents goes to the State to be allocated to the counties, and the remaining 6.35 cents is County Mandatory Tax. The counties have an option to levy up to an additional 9 cents per gallon.

*Cigarette Tax* is imposed at a rate of 90 mills per cigarette. A tax on tobacco products, other than cigarettes, is imposed at a rate of 30% of the wholesale price.

*Commerce Tax* is imposed upon each business entity whose Nevada gross revenue in a taxable year exceeds \$4 million. The business entity is entitled to deduct certain amounts. The tax rate is based on the primary business industry classification.

*Lodging Tax* is imposed at a rate of at least 1% of the gross receipts from the rental of transient lodging with three-eighths of the first 1% paid to the State for the Tourism Promotion Fund. In counties with populations greater than 300,000, an additional tax of up to 3% is remitted to the State for distribution to the State Supplemental School Support Account.

*Other Sources* of tax revenues include: Controlled Substance Tax, Jet Fuel, Liquor Tax, Live Entertainment Tax (non-gaming establishments), Business License Fees, Motor Carrier Fees, Motor Vehicle Registration Fees, Net Proceeds of Minerals Tax, Property Tax, Real Property Transfer Tax, Short-Term Lessor Fees, Tire Tax, and Marijuana Excise Tax.

The Nevada Gaming Commission was created under NRS 463.022 and is charged with collecting State gaming taxes and fees. The following sources account for gaming tax revenues:

*Percentage Fees* are the largest of several State levies on gaming. They are based upon gross revenue and are collected monthly. The fee is applied on a graduated basis at the following monthly rates: 3.5% of the first \$50,000 of gross revenue; 4.5% of the next \$84,000 of gross revenue; and 6.75% of the gross revenue in excess of \$134,000.

*Live Entertainment Taxes* are imposed at a rate of 9% on admission to a facility where live entertainment is provided with an occupancy over 200. Live entertainment provided by escort services is also subject to the tax.

*Flat Fee Collections* are levied on the number of gambling games and slot machines operated. Licensees pay fees at variable rates on the number of gaming devices operated per quarter.

*Other Sources* of gaming tax revenues include: Unredeemed Slot Machine Wagering Vouchers, Annual State Slot Machine Taxes, Annual License Fees and Miscellaneous Collections, which consists of penalties and fines, manufacturer's, distributor's and slot route operator's fees, advance payments, race wire fees, pari-mutuel wagering tax and other nominal miscellaneous items.

## 15. Works of Art and Historical Treasures

The State possesses certain works of art, historical treasures, and similar assets that are not included in the capital assets shown in Note 7. The mission of the Lost City Museum in Overton is to study, preserve, and protect prehistoric Pueblo sites found in the Moapa Valley and adjacent areas and to interpret these sites through exhibits and public programs. In Reno, the Nevada Historical Society exhibits and maintains a large number of historical collections preserving the cultural heritage of Nevada. These collections are divided into four sections: library, manuscripts, photography, and museum. The Nevada State Museum in Carson City collects, preserves, and documents three general types of collections: anthropology, history, and natural history as it relates to Nevada and the Great Basin. The mission of the Nevada State Museum, Las Vegas, is to inspire and educate a diverse public about the history and natural history of Nevada. Its major collections include transportation, mining, and tourism as well as daily artifacts such as clothing, historical correspondence, business records, and photography. The Nevada State Railroad Museum, which is located in Carson City, is dedicated to educating visitors and the community through the collection, preservation and interpretation of objects directly related to railroads and railroading in Nevada. The East Ely Depot Museum,

## Notes to the Financial Statements

*For the Year Ended June 30, 2021*

located in the historic Nevada Northern Railroad Depot building, exhibits artifacts, documents, and photographs of early Eastern Nevada mining and railroad transportation. In Boulder City, the Nevada State Railroad Museum displays and operates locomotives. The Nevada Arts Council with locations in Carson City and Las Vegas exhibits artwork. Its mission is to enrich the cultural life of the State and make excellence in the arts accessible to all Nevadans.

These collections are not capitalized by the State because they are:

- Held for public exhibition, education or research in furtherance of public service, rather than financial gain,
- Protected, kept unencumbered, cared for and preserved, and
- Subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collections.

### 16. Tax Abatements

**Abatement of Taxes on Business:** The Governor's Office of Economic Development (GOED) provides multiple tax abatement programs to incentivize business development in Nevada. GOED promotes a robust, diversified and prosperous economy to attract new business and facilitate community development, stimulate business expansion and retention, and encourage entrepreneurial enterprise.

A company that intends to locate or expand a business in the State may apply to GOED for a partial abatement of one or more of the taxes imposed on new or expanded business. GOED may approve an application, upon making certain determinations, as outlined in NRS 360.750, which is effective through June 30, 2032. In addition to agreeing to continue in operation in the State for at least 5 years, applicants must also meet two of the following three requirements:

- New businesses locating in urban areas require fifty or more full-time employees on the payroll by the eighth calendar quarter following the calendar quarter in which the abatement becomes effective; in rural areas, the requirement is ten or more full-time employees. For an existing business that is expanding, the number of employees on the payroll must increase either by 10% more than the number of employees prior to the abatement becoming effective, or by 25 employees for urban areas (6 for rural areas), whichever is greater.
- New businesses locating in urban areas must make a capital investment of \$1 million in eligible equipment within two years; in rural areas, the requirement is \$250,000 in eligible equipment. For an existing business that is expanding, the capital investment must equal at least 20% of the value of the tangible property owned by the business.
- The average hourly wage paid to new employees must meet a specified minimum, and the business must provide a health insurance plan for all employees and their dependents by a specified time period.

A company that intends to locate or expand a business in certain areas of Economic Development may apply to GOED for a partial abatement of one or more of the taxes imposed on new or expanded business. Certain areas of Economic Development are defined in NRS 274.310 as a historically underutilized business zone, a redevelopment area created pursuant to Chapter 279 of NRS, an area eligible for a community development block grant pursuant to 24 Code of Federal Regulations (CFR) Part 570, or an enterprise community established pursuant to 24 CFR Part 597. Applicants must agree to continue in operation in the State for at least 5 years, and is effective through June 30, 2032. Additionally, businesses looking to start or expand in certain areas of Economic Development must meet either one of the two following requirements to apply for an abatement:

- New businesses must invest a minimum of \$500,000 in capital assets. For an existing business that is expanding, the investment in capital assets is a minimum of \$250,000 (NRS 274.310 through 274.320).
- The business must hire one or more dislocated workers, pay a wage of not less than 100 percent of federally designated levels and provide medical benefits to the employees and their dependents which meet the minimum requirements (NRS 274.330).

All abatements granted to eligible businesses terminate upon determination that the business has ceased to meet eligibility requirements for the abatement. The business shall refund the abatement amount for each month, or portion thereof, from the last day of the month following the period for which the payment would have been made had the partial abatement not been

## Notes to the Financial Statements

*For the Year Ended June 30, 2021*

approved until the date of the payment of the tax. These refund payments are also subject to interest at the rate most recently established pursuant to NRS 99.040.

The programs outlined below reflect the requirements and the abatements offered to eligible businesses.

*Local Sales and Use Tax Abatement (NRS 374.357 through 374.358)* – The tax abatement is on the gross receipts from the sale, and the storage, use or other consumption, of eligible capital equipment. The sale and use tax rates vary by county within Nevada. The abatement reduces the local sales and use tax rate to 2%, which is the State's portion of the tax. Therefore, none of the State's sales and use tax is abated; only local sales and use taxes are abated. The approved business is eligible for tax abatements for not less than 1 year but not more than 5 years beginning the date the abatement becomes effective. This is effective through June 30, 2032.

*Modified Business Tax Abatement (NRS 363B.120)* – The current excise tax imposed on each employer is at the rate of 1.378% on taxable wages over \$50,000 in a quarter. A business may qualify for a partial abatement of up to 50% of the amount of the business tax due during the first four years of operations. For a new company, the abatement of the modified business tax applies to the number of new employees stated in its application. For an expanding business, the abatement does not apply to existing employees of the business, but does apply to the number of new employees directly related to the expansion. This is effective through June 30, 2032.

*Personal Property Tax Abatement (NRS 361.0687)* – The abatement can be up to 50% of the tax due, or 75% in certain areas of Economic Development, for not less than 1 year and up to 10 years beginning from when the abatement becomes effective. The applicant must apply for abatement not more than one year before the business begins to develop for expansion or operation in Nevada. The personal property tax abatement applies only to the same list of machinery and equipment eligible for the local sales and use tax abatement allowed under NRS 374.357 or 374.358. Property tax rates vary by taxing district within Nevada. This is effective through June 30, 2032.

*Aviation Tax Abatement (NRS 360.753)* - The abatement includes local sales and use tax and personal property tax. The local sales and use tax abatement applies to the purchase of tangible personal property used to operate, manufacture, service, maintain, test, repair, overhaul or assemble an aircraft or any component of an aircraft. The personal property tax abatement applies to aircraft and the personal property used to own, operate, manufacture, service, maintain, test, repair, overhaul or assemble an aircraft or any component of an aircraft. The personal property tax abatement can be up to 50% for 20 years on the taxes due on tangible personal property, and the sales and use tax abatement reduces the applicable tax rate to 2% for a similar 20-year period. The local sales and use tax abatement excludes aircraft purchase. This is effective through June 30, 2035.

*Data Center Tax Abatement (NRS 360.754)* – The abatement includes local sales and use tax and personal property tax. The local sales and use tax abatement applies to the purchase of eligible machinery or equipment for use at a data center. The abatement reduces the applicable tax rate to 2% for a period of 10 or 20 years. The personal property tax abatement applies to personal property located at the center and can be up to 75% of the taxes due for 10 or 20-year abatement periods. The data center will, within 5 years after the date on which the abatement becomes effective, have or have added 10 or more full-time employees who are residents of Nevada, and provide health insurance. The data center must commit to continue operation within the State for a period of not less than 10 years, and must bind successors to the same. This is effective through December 31, 2056.

*Capital Investment of at least \$1 Billion Tax Abatement (NRS 360.893)* – The partial abatements include personal property, modified business, real property, or local sales and use taxes for companies that have a minimum capital investment of \$1 billion dollars within 10 years of approval of the abatement application. The personal property, modified business and real property tax abatement can be up to 75% of the taxes due for an abatement period of not more than 10 years. Abatements for local sales and use tax are for taxes imposed on the purchase of eligible personal property and construction materials for an abatement period of not more than 15 years. The State's 2% portion of the sales and use tax is not abated. As a condition of approving a partial abatement of taxes pursuant to NRS 360.880 to 360.896, inclusive, the Executive Director of the Office of Economic Development, if he or she determines it to be in the best interests of the State of Nevada, may require the lead participant to pay at such a time or times as deemed appropriate, an amount of money equal to all or a portion of the abated taxes into a trust fund in the State Treasury to be held until all or portion of the requirements for the partial abatement have been met. Interest and income earned on money in the trust fund must be credited to the trust fund. Any money remaining in the trust fund at the end of the fiscal year does not revert to the State General Fund, and the balance in the trust fund must be carried forward to the next fiscal year. This is effective through June 30, 2032.

## Notes to the Financial Statements

For the Year Ended June 30, 2021

*Capital Investments of at least \$3.5 Billion Tax Abatement (NRS 360.945)* – An abatement from personal property, modified business, real property, or local sales and use tax are available to companies that have a minimum capital investment of \$3.5 billion dollars within 10 years of approval of the abatement application. The personal property, modified business, and real property tax abatements can be up to 100% of the taxes due for up to a 10-year abatement period. Abatements for local sales and use tax are for taxes imposed on the purchase of eligible personal property and construction materials for up to a 20-year period. The State's 2% portion of the sales and use tax is not abated. This was approved during the 28<sup>th</sup> Special Session of the State Legislature in 2014, and is effective through June 30, 2036.

*Transferable Tax Credits to Promote Economic Development (NRS 231.1555)* – Transferable tax credits are available to entities who intend to locate or expand a business in Nevada. The business can apply for credits above or below \$100,000 as long as the transferable tax credits do not extend for a period of more than 5 fiscal years per applicant and, in total, do not exceed set amounts each fiscal year as outlined in statute. The transferable tax credits can be applied to modified business, insurance premium and/or gaming percentage fee taxes. The applicant must set forth the proposed use of the credits, the plans, projects and programs for which the credits will be used, the expected benefits, and a statement of short-term and long-term impacts of the issuance of the transferable tax credits.

*Film and Other Productions (NRS 360.758 through 360.7598)* – A transferable tax credit is available to production companies producing a film, television series, commercial, music video or other qualified production in Nevada. A production may qualify for a transferable tax credit of up to 25% of the qualified direct production expenditures incurred in Nevada if at least 60% of the total qualified expenditures are incurred in Nevada. Principal photography of the production must begin within 90 days after the application is issued. The transferable tax credits issued for qualified film production completed in the State may be used against the modified business, insurance premium and/or the gaming percentage fee taxes.

*Economic Development with Capital Investment of at least \$3.5 Billion (NRS 360.945 through 360.980)* – The 2014 28<sup>th</sup> Special Session of the State Legislature required the Governor's Office of Economic Development (GOED) to issue transferable tax credits for certain qualifying projects that may be used against the modified business, insurance premium and/or the gaming percentage fee taxes. A qualifying project is required to be located within the geographical borders of the State of Nevada, make a new capital investment in the State of at least \$3.5 billion during the 10-year period immediately following approval of the application, employ Nevada residents in at least half of the project's construction jobs and operational jobs, and provides health insurance to all employees. The amount of transferable tax credits is equal to \$12,500 for each qualified employee employed by the participants in the project (to a maximum of 6,000 employees), plus 5% of the first \$1 billion and 2.8% of the next \$2.5 billion in new capital investment in the State made collectively by the participants in the qualifying project. The amount of tax credits approved by GOED may not exceed \$45 million per fiscal year (although any unissued credits may be issued in any subsequent fiscal year ending on or before June 30, 2022), and GOED may not issue total tax credits in excess of \$195 million. This is effective through June 30, 2036.

**Renewable Energy Tax Abatements:** The mission of the Governor's Office of Energy is to ensure the wise development of Nevada's energy resources in harmony with local economic needs, and to position Nevada to lead the nation in renewable energy production, conservation, and exportation. In an effort to incentivize the development of renewable energy in Nevada, the program awards partial sales and use tax and property tax abatements to eligible renewable energy facilities. Businesses must make a capital investment of \$3 million or \$10 million, dependent on the project location.

*Local Sales and Use Tax Abatement (NRS 701A.360 through NRS 701A.365)* – The abatement applies to the 3 years following the approval of the application in which the applicant will only be required to pay sales and use taxes imposed in the State at the rate of 2.6%, of which 2% is the State's portion of the tax. Therefore, none of the State's sales and use tax is abated. The abatement must not apply during any period in which the facility is receiving another abatement or exemption from local sales and use taxes. The applicant must state that the facility will, after the date on which the abatement becomes effective, continue in operation in the State for a period of not less than 10 years, and bind any successors to the same. This is effective through June 30, 2049.

*Real and Personal Property Tax Abatement (NRS 701A.370)* – The abatement is for a duration of the 20 fiscal years immediately following the date of approval of the application and is equal to 55% of the taxes on real and personal property payable by the facility each year. The abatement must not apply during any period in which the facility is receiving another abatement or exemption from local sales and use taxes. This is effective through June 30, 2049.

## Notes to the Financial Statements

For the Year Ended June 30, 2021

**Green Building Tax Abatements:** The Governor's Office of Energy administers the green building tax abatement program based on criteria set forth in the Leadership in Energy and Environmental Design (LEED) or Green Globes (GG) rating system and certification from the U.S. Green Building Council or the Green Building Initiative. Both LEED and GG rating systems provide a complete framework for assessing building performance and meeting environmental sustainable goals. They use industry recognized standards for designing, operating and certifying green building projects. The program was instituted in 2007 as an incentive for business owners to improve the energy efficiency of new and existing buildings. To qualify for the tax abatement, applicants must earn a minimum number of points for energy conservation to meet the Silver Level or higher through the LEED rating system or two globes or higher under the GG rating system. LEED and GG building rating systems are based on a set of standards for the environmentally sustainable design, construction and operation of the building.

*Real Property Taxes (NRS 701A.110)* – Incentives range from 25% to 35% of the portion of taxes imposed pursuant to NRS 361, other than any taxes imposed for public education, for a period of 5 to 10 years, depending on the certification level. The abatement terminates if it is determined that the building or other structure has ceased to meet the equivalent of the Silver Level or higher.

The State's tax abatement programs as of June 30, 2021, on an accrual basis, are summarized in the following table (expressed in thousands):

Abatement Program	Taxes Abated			
	Modified Business Tax	Property Tax	Gaming Tax	Total
Businesses	\$ 1,800	\$ 2,372	\$ -	\$ 4,172
Capital Investment 3.5B	11,067	-	-	11,067
Renewable Energy	-	1,060	-	1,060
Green Building	-	4,661	-	4,661
Transferable Tax Credits	-	-	5,125	5,125
<b>Total</b>	<b>\$ 12,867</b>	<b>\$ 8,093</b>	<b>\$ 5,125</b>	<b>\$ 26,085</b>

A receivable of \$14,995, associated with the Renewable Energy Tax Incentive, is due from Elko County per NRS 361.483, at June 30, 2021.

## 17. Commitments and Contingencies

### A. Primary Government

*Lawsuits* - The State Attorney General's Office reported that the State of Nevada or its officers and employees were parties to numerous lawsuits, in addition to those described below. In view of the financial condition of the State, the State Attorney General is of the opinion that the State's financial condition will not be materially affected by this litigation, based on information known at this time.

Several of the actions pending against the State are based upon the State's (or its agents') alleged negligence in which the State must be named as a party defendant. However, there is a statutory limit to the State's liability of \$50,000 per cause of action through October 1, 2007, and \$75,000 per cause of action through October 1, 2011, \$100,000 through June 30, 2020, \$150,000 through June 30, 2022, and \$200,000 per cause of action thereafter. Such limitation does not apply to federal actions such as civil rights actions under 42 U.S.C. Section 1983 brought under federal law or to actions in other states. Building and contents are insured on a blanket replacement cost basis for all risk except certain specified exclusions.

The State and/or its officers and employees are parties to a number of lawsuits filed under the federal civil rights statutes. However, the State is statutorily required to indemnify its officers and employees held liable in damages for acts or omissions on the part of its officers and employees occurring in the course of their public employment. Several claims may thus be filed against the State based on alleged civil rights violations by its officers and employees. Since the statutory limit of liability (discussed above) does not apply in federal civil rights cases, the potential liability of the State is not ascertainable at the present time. Currently, the State is involved in several actions alleging federal civil rights violations that could result in substantial liability to the State.

## Notes to the Financial Statements

*For the Year Ended June 30, 2021*

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The State is a defendant on several lawsuits associated with the Little Valley fire, which occurred in October, 2016. The State intends to defend these lawsuits vigorously. The outcome of the lawsuits is not presently determinable, and as the amount is neither probable nor capable of reasonable estimation, the accompanying financial statements do not include a liability for any potential loss.

The State is a defendant on two lawsuits associated with groundwater rights. The State has filed a Motion to Dismiss, which remains to be decided. As the amount of potential loss is not capable of reasonable estimation at this time, the accompanying financial statements do not include a liability for any potential loss.

The State is a defendant on a lawsuit associated with an alleged taking of property rights. The State intends to defend this lawsuit vigorously. The State filed a Motion to Dismiss, which was granted on May 4, 2021. The plaintiffs filed an appeal with the Nevada Supreme Court regarding the State District Court's Order dismissing their case. Opening briefs were filed by the plaintiffs with the Nevada Supreme Court on November 5, 2021, and the State's answering brief was filed with the Nevada Supreme Court on January 4, 2022. The appellant's reply brief is due on March 7, 2022. Although there is a reasonable possibility of an unfavorable outcome for the State at the Nevada Supreme Court level, an estimate of the range of loss is not known at this time. Therefore, the accompanying financial statements do not include a liability for any potential loss.

The State is a defendant on a Fair Labor Standards Act collective, class-action lawsuit associated with the Nevada Department of Corrections. On October 16, 2019, the U.S. Court of Appeals for the Ninth Circuit rendered an opinion stating that the State waived the right for state sovereign immunity from suit on certain federal-law claims. Private mediation took place on May 23, 2022, but was not successful. The court has ordered a settlement conference that will take place in mid to late July, 2022. No trial date is set. The potential exposure is approximately \$30 million to \$40 million. Since the next court action will not take place until fiscal year 2023, the accompanying financial statements do not include a liability for any potential loss.

In the State of Nevada Unemployment Compensation Fund, due to staffing restrictions and the high volume of claims related to the COVID-19 pandemic, as well as the implementation of additional funding programs available to claimants under the various COVID-19 related relief acts, an unusually high number of claims remain under appeal as of the end of the fiscal year. Furthermore, claims are still being processed for benefits related to the year ended June 30, 2021. In addition to recognizing benefits payable for claims that have been processed, Fund management has estimated an amount for claims related to benefit weeks in 2021 that have not yet been processed or are still under appeal and accrued a liability (benefits payable) of \$101.6 million for those estimated unprocessed claims along with an intergovernmental receivable of \$79.5 million for the amount of the unprocessed claims related to the various federal programs.

Subsequent to June 30, the State of Nevada Unemployment Compensation Fund management has become aware of a significant dollar amount of claims being held by Bank of America. These funds relate to debit cards which have not been pinned, or activated, by the claimant, debit cards that have been pinned but have been blocked by the bank for potential fraud, and debit cards frozen by the bank for potential fraud. The total funds for the three types of transactions is approximately \$93.1 million. Of that amount, it is unknown how much would relate to supplemental federal funding received by the claimants through the various federal COVID-19 related programs and due back to the Federal government, once received. Fund management is currently negotiating with the bank on how to handle the various transaction types and which amounts should be returned to the Fund. Although it is not possible to predict the outcome of the negotiations, it is possible the resolution could have a material effect on the financial position of the Fund.

*Leases* - The State is obligated by leases for buildings and equipment accounted for as operating leases. Operating leases do not give rise to property rights as capital leases do. Therefore, the results of the lease agreements are not reflected in the Statement of Net Position. Primary government lease expense for the year ended June 30, 2021, amounted to approximately \$50.5 million. The following is the primary government's schedule of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2021, (expressed in thousands):

## Notes to the Financial Statements

For the Year Ended June 30, 2021

For the Year Ending June 30	Amount
2022	\$ 42,435
2023	35,171
2024	28,327
2025	21,827
2026	14,464
2027-2031	25,028
2032-2036	5,938
2037-2041	6,828
2042-2046	827
2047-2051	4
<b>Total</b>	<b>\$ 180,849</b>

*Federal Grants* - The State receives significant financial assistance from the federal government in the form of grants and entitlements, which are generally conditioned upon compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by federal agencies. Any disallowance as a result of these audits could become a liability of the State. As of June 30, 2021, the State is unable to estimate the amount, if any, of expenditures that may be disallowed, although the State expects such amounts, if any, to be immaterial.

*Nonexchange Financial Guarantees* - The 1997 Nevada Legislature added NRS 387.513 through 387.528, allowing school districts to enter into guarantee agreements with the State Treasurer whereby the money in the Permanent School Fund may be used to guarantee the debt service payments on certain bonds issued by Nevada school districts. The amount of the guarantee for bonds of each school district outstanding, at any one time, must not exceed \$60 million. Total bond guarantees at June 30, 2021, were \$139.9 million which includes accrued interest of \$1.0 million. The bonds mature at various intervals through fiscal year 2042. In the event any school district was unable to make a required payment, the State Treasurer would withdraw from the State Permanent School Fund the amount needed to cover the debt service payment. Any amount withdrawn would be deemed a loan to the school district from the State Permanent School Fund, and the State Treasurer would determine the rate of interest on the loan. Repayment would be taken from distributions from the State Distributive School Account.

*Encumbrances* - As of June 30, 2021, encumbered expenditures in governmental funds were as follows (expressed in thousands):

	Amount
General Fund	\$ 3,027
State Highway	5,274
Nonmajor governmental funds	388
<b>Total</b>	<b>\$ 8,689</b>

*Construction Commitments* - As of June 30, 2021, the Nevada Department of Transportation had total contractual commitments of approximately \$560.1 million for construction of various highway projects. Other major non-highway construction commitments for the primary government's budgeted capital projects funds total \$24.9 million.

### B. Discretely Presented Component Units

*Nevada System of Higher Education (NSHE)* - As of June 30, 2021, the NSHE is a defendant or co-defendant in legal actions. Based on present knowledge and advice of legal counsel, the NSHE management believes any ultimate liability in these matters, in excess of insurance coverage, will not materially adversely affect the net position, changes in net position or cash flows of the NSHE.

The NSHE and the State of Nevada are defendants in various lawsuits, collectively referred to as the Little Valley Fire Cases. The cases relate to a prescribed burn conducted by the Nevada Division of Forestry in October, 2016, on land partially owned by the University of Nevada at Reno. Embers from the fire escaped and burned 23 structures. The System and the State of Nevada share an excess liability policy. At this point, it is difficult to estimate the likelihood of an unfavorable outcome and the likely exposure, but the excess liability carrier has been placed on notice of these cases.

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

## Notes to the Financial Statements

For the Year Ended June 30, 2021

The NSHE is self-insured for its unemployment liability. The NSHE is billed by the State each quarter based on the actual unemployment benefits paid by the State. Each year the NSHE budgets resources to pay for the projected expenditures. The amount of future benefits payments to claimants and the resulting liability to the NSHE cannot be reasonably determined as of June 30, 2021, but no significant reduction in force or staffing cuts are anticipated.

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

The estimated cost to complete property authorized or under construction at June 30, 2021, is \$204.4 million. These costs will be financed by State appropriations, private donations, available resources, and/or long-term borrowings.

*Colorado River Commission (CRC)* - The CRC may from time to time be a party in various litigation matters. It is management's opinion, based upon advice from legal counsel, that the risk of financial losses to the CRC from such litigation, if any, will not have a material adverse effect on the CRC's future financial position, results of operations or cash flows. Accordingly, no provision has been made for any such losses.

*Nevada Capital Investment Corporation (NCIC)* - The NCIC currently has commitments to the Silver State Opportunity Fund (SSOF) of \$50.0 million (the First Tranche) and to Dreamspring 2017G, LLC, of \$1.0 million. As of June 30, 2021, the NCIC has fulfilled \$47.1 million of its total commitment to SSOF and \$1.0 million to Dreamspring. The NCIC has the right, but not the obligation, to increase its capital commitment to SSOF by which would be effective after the end of the First Tranche (or such other date as the NCIC and Manager may agree). If the NCIC elects to make such an additional commitment, both the amount of the NCIC's additional commitment and an additional commitment from the Manager shall be established by agreement between the NCIC and the Manager (the Second Tranche).

## 18. Subsequent Events

### A. Primary Government

*Bonds* – On November 16, 2021, the State issued \$154,560,000 in General Obligation Bonds. The 2021A Bonds were issued to finance various capital improvement projects. The 2021B Bonds were issued to finance the costs of environmental improvement projects for the Lake Tahoe Basin, as provided in the Tahoe Project Act. The 2021C and 2021D Bonds were issued to finance various projects to continue to protect, preserve, and obtain the benefits of the property, and natural and cultural resources of the State. The 2021E Bonds were issued to finance the initial construction, or renovation, modification or expansion, of portions of a public water system as set forth in the Safe Drinking Act. The 2021F Bonds were issued to finance the construction of water treatment works and the implementation of pollution control projects.

On May 10, 2022, the State issued \$75,000,000 in General Obligation Bonds. The 2022A and 2022B Bonds were issued to finance infrastructure and economic development projects within the State.

On May 31, 2022, the State issued \$1,000,000 in General Obligation Bonds. The 2022C Bonds were issued to finance the Historic Preservation Program. This program awards financial assistance to pay the actual expenses of preserving or protecting historical buildings to be used to develop a network of cultural centers and activities.

*Litigation Settlement* – On January 24, 2022, Nevada Attorney General Aaron D. Ford announced that the State of Nevada had previously joined with the federal government to settle allegations of fraud against Nevada corporation Lipshutz & Wills Medical Group, LLP, dba Monos Health, in relation to its involvement in the billing of urine testing to Medicaid, Medicare, and Tricare. The State will receive approximately \$2 million from the settlement.

### B. Discretely Presented Component Units

*Nevada System of Higher Education* - The System evaluated subsequent events through February 28, 2022, and has determined the following subsequent events to report.

Subsequent to year-end, the Board of Regents of the Nevada System of Higher Education (NSHE), o.b.o., the University of Nevada, Reno (UNR) entered into an agreement with Sierra Nevada University (SNU) to transfer the operations of SNU to



## Notes to the Financial Statements

For the Year Ended June 30, 2021

UNR and to gift the assets of SNU to the UNR Foundation. Under the agreement, the SNU Board will remain in control of SNU until approvals of the transfer are received by the Northwest commission on Colleges and Universities (NWCCU) and the Department of Education (DOE). UNR does not anticipate this transaction having a material impact on its operations. Approvals are anticipated to be received in FY2022.

On August 26, 2021, NSHE closed on revenue bonds series 2021A with a par amount of \$35,705,000. Proceeds of the 2021A Bonds will be used to: (i) finance construction of improvements on the campus of UNLV; (ii) refinance NSHE's outstanding 2011A Bonds for debt service savings, and (iii) pay the costs of issuing the 2021A Bonds. The 2021A Bonds are issued solely as fully registered bond certificates in the denomination of \$5,000,000 or any integral multiple thereof. The 2021A Bonds bear interest (calculated based on a 360-day year consisting of twelve 30-day months) from 2.375% to 5.000% and is payable semi-annually on January 1 and July 1 of each year, commencing January 1, 2022 and maturing on July 1, 2051. The payment of principal is payable annually on July of each year, commencing July 1, 2022.

*Colorado River Commission* - On August 16, 2021, the United States Bureau of Reclamation announced the first-ever shortage on the Colorado River Basin and a Level 1 Shortage Condition at Lake Mead. As a result, beginning in January 2022 and throughout the remainder of this year, the Bureau will reduce the water supplies for the three states of Arizona, Nevada, and California, and Mexico. Accordingly, Nevada will lose 7% of its 300,000-acre-foot annual water allocation (21,000 acre-feet of water), but its residents will not feel the water shortage because of conservation efforts and alternative water sources. In addition, the Bureau plans to draw down water from two reservoirs in Colorado and Utah to maintain the water level necessary for Hoover Dam to generate power. Therefore, there is no immediate impact on the sale of hydropower resources allocated to the State and the Commission's ability to generate revenue. However, with the ongoing drought in the Western region and a steady decline on the Colorado River, there might be additional shortage declarations in the future, which could have material adverse effects on the water distribution to Nevada and related hydropower generation. The Commission is monitoring this matter on an ongoing basis.

### C. New Accounting Pronouncements

In June of 2017, the GASB issued Statement No. 87, *Leases*. The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement is effective for reporting periods beginning after June 15, 2021. The anticipated impact of this pronouncement is uncertain at this time.

In June of 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. The Statement is effective for reporting periods beginning after December 15, 2020. The anticipated impact of this pronouncement is uncertain at this time.

In May of 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. 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. This statement is effective for reporting periods beginning after December 15, 2021. The anticipated impact of this pronouncement is uncertain at this time.

In January of 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement extends the effective due dates of the following GASB Statements:

- The requirements related to intra-entity transfers of assets and those related to the applicability of Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, and Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, are effective for reporting periods beginning after June 15, 2021.
- Statement 84, *Fiduciary Activities*, effective for reporting periods beginning after June 15, 2021.

## Notes to the Financial Statements

For the Year Ended June 30, 2021

- The requirements within the scope of Statement No. 83, *Certain Asset Retirement Obligations*, related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition, effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

In March of 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an IBOR (Interbank Offered Rate). As LIBOR (the London Interbank Offered Rate) is expected to cease to exist in its current form at the end of 2021, this Statement provides guidance to Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, and Statement No. 87, *Leases*. This Statement is effective for reporting periods ending after December 31, 2021, for the removal of LIBOR and for reporting periods beginning after June 15, 2021, for all other requirements of this Statement. The anticipated impact of this pronouncement is uncertain at this time.

In March of 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objectives of the Statement are to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs) and also to provide guidance for accounting and financial reporting for availability payment arrangements (APAs.) This Statement is effective for fiscal years beginning after June 15, 2022. The anticipated impact of this pronouncement is uncertain at this time.

In May of 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement is effective for fiscal years beginning after June 15, 2022. The anticipated impact of this pronouncement is uncertain at this time.

In June of 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - An Amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This Statement is effective for reporting periods beginning after June 15, 2021. The anticipated impact of this pronouncement is uncertain at this time.

### D. COVID-19, CARES Act, and ARPA

The COVID-19 pandemic is likely to continue its impact on the State's revenue in future years. The federal government authorized American Rescue Plan Act (ARPA) and Governor's Emergency Education Relief (GEER) funding totaling \$2,818,553,825 for the State of Nevada to help cover necessary funding needs arising from the COVID-19 pandemic. The State anticipates that the federal funding, along with service reductions and certain budget cuts which began in 2020, will allow Nevada to evaluate long-term financial impacts and make necessary adjustments.

*Unemployment Compensation Fund* - On March 11, 2021, the President of the United States signed into law the American Rescue Plan (ARP) Act which amended certain provisions of the EUIA, CARES, Protecting Nonprofits, and Continued Assistance Acts.

The ARP Act extended PUA, PEUC, FPUC, and MEUC programs through September 6, 2021. The ARP Act also extended the full funding of first week benefits and the Federal-State Extended Benefits (EB) through September 6, 2021, and extended the interest suspension on state advances from the Federal Unemployment Account through September 6, 2021.

The ARP Act extended the relief to reimbursing employers (state and local governments, Native American tribes, and non-profit organizations) through September 6, 2021, and increased the relief percentage from 50% of the reimbursable charges to 75% of the reimbursable charges for unemployment weeks beginning after March 31, 2021.

## Notes to the Financial Statements

For the Year Ended June 30, 2021

The ARP Act also included a provision allowing funding provided to the states to be used for the repayment of state advances from the Federal Unemployment Account. The Nevada State Legislature passed, and the Nevada State Governor signed, Senate Bill 461 from the 2021 Legislative Session which includes a provision for using ARP Act funding to repay the advance received from the Federal Unemployment Account up to \$335 million.

### 19. Accounting Changes and Restatements

#### A. Primary Government

During fiscal year 2021, the State identified and corrected the following misstatements in the fiscal year 2020 financial statements:

- The Unemployment Compensation Fund overstated the amounts due from the Federal government and the related emergency compensation revenue;
- The Self-Insurance Fund overstated revenue;
- The General Fund understated Medicaid incurred but not reported (IBNR) claims expenditures;
- The General Fund understated Medicaid IBNR related federal reimbursement;
- The General Fund understated Medicaid expenditure.
- The CIP University System, a nonmajor governmental fund, reclassified previously reported due to component unit as fund balance.

The following table shows the changes to the beginning net position as of July 1, 2020, for the primary government (expressed in thousands):

	Governmental Activities	Business-type Activities
Net position at June 30, 2020, as previously reported	\$ 8,935,518	\$ 1,924,164
Overstatement in intergovernmental receivables	-	(65,495)
Overstated revenue	(7,532)	-
Medicaid incurred but not reported (IBNR) claims expenditures	(96,048)	-
Medicaid IBNR related federal reimbursement	83,859	-
Medicaid expenditures	(252,741)	-
Reclassification of due to component unit to fund balance	41,978	-
Net position at July 1, 2020, as restated	<u>\$ 8,705,034</u>	<u>1,858,669</u>

The following table shows the changes to the beginning fund balance/net position as of July 1, 2020, for the following funds (expressed in thousands):

	Major Governmental Funds	Nonmajor Governmental Funds	Major Enterprise Funds	Internal Service Funds
	General Fund		Unemployment Compensation	
Fund balance/net position at June 30, 2020, as previously reported	\$ 804,793	\$ 988,527	\$ 1,036,741	\$ 17,625
Overstatement in intergovernmental receivables	-	-	(65,495)	-
Overstated revenue	-	-	-	(7,532)
Medicaid incurred but not reported (IBNR) claims expenditures	(96,048)	-	-	-
Medicaid IBNR related federal reimbursement	83,859	-	-	-
Medicaid expenditures	(252,741)	-	-	-
Reclassification of due to component unit to fund balance	-	41,978	-	-
Fund balance/net position at July 1, 2020, as restated	<u>\$ 539,863</u>	<u>\$ 1,030,505</u>	<u>\$ 971,246</u>	<u>\$ 10,093</u>

## Notes to the Financial Statements

For the Year Ended June 30, 2021

### B. Discretely Presented Component Units

The Nevada System of Higher Education's (NSHE) beginning net position has been restated to properly reflect recognition of payments from the State of Nevada for construction of NSHE's capital improvement projects. The State of Nevada Legislature authorizes appropriations and the issuance of general obligation bonds for construction of NSHE capital improvements, to be carried out by the State Public Works Board. NSHE has recognized revenue for the appropriations and authorization for issuance of general obligation bonds upon the effective date of the legislative bill, whereas the State, as the provider and in accordance with GASB 33, recognizes the expense when all timing requirements have been met and control transferred, which is as the asset is constructed. The result is that revenue and expense recognition has not been symmetrical between NSHE and the State, and a prior period adjustment has been made by the State to NSHE's beginning net position in the amount of a negative \$158,403,801. This prior period adjustment results in symmetrical reporting between NSHE and the State.

The following table shows the change to the beginning net position as of July 1, 2020 for NSHE (expressed in thousands):

	<b>Nevada System of Higher Education</b>
Net position at June 30, 2020 as previously reported	\$ 2,628,396
Overstatement of payments from the State for capital improvement projects	(158,404)
Net position at July 1, 2020 as restated	<u>2,469,992</u>

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# **REQUIRED SUPPLEMENTARY INFORMATION**

**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund and Major Special Revenue Funds**

*For the Fiscal Year Ended June 30, 2021*

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Sources of Financial Resources</b>				
Fund balances, July 1	\$ 1,929,183,134	\$ 1,929,183,134	\$ 1,929,183,134	\$ -
<i>Revenues:</i>				
Sales taxes	1,411,267,000	1,293,401,000	1,380,573,064	87,172,064
Gaming taxes, fees, licenses	957,479,200	672,772,704	732,881,318	60,108,614
Intergovernmental	4,817,434,569	9,909,420,463	8,217,582,936	(1,691,837,527)
Other taxes	2,485,503,916	2,723,275,113	2,654,482,894	(68,792,219)
Sales, charges for services	304,383,779	304,396,934	271,577,775	(32,819,159)
Licenses, fees and permits	781,752,862	826,620,623	818,244,660	(8,375,963)
Interest	25,629,442	18,708,891	12,054,538	(6,654,353)
Other	185,222,198	260,385,947	228,869,711	(31,516,236)
<i>Other financing sources:</i>				
Proceeds from sale of bonds	3,001,694	3,001,694	3,001,694	-
Transfers	1,167,166,156	2,292,871,547	1,417,133,420	(875,738,127)
Reversions from other funds	-	-	2,493,787	2,493,787
<b>Total sources of financial resources</b>	<b>14,068,023,950</b>	<b>20,234,038,050</b>	<b>17,668,078,931</b>	<b>(2,565,959,119)</b>
<b>Uses of Financial Resources</b>				
<i>Expenditures and encumbrances:</i>				
Elected officials	945,910,217	4,014,994,624	926,453,388	3,088,541,236
Legislative and judicial	154,754,825	179,803,720	112,937,439	66,866,281
Finance and administration	108,865,528	136,167,279	81,425,730	54,741,549
Education - K to 12	2,762,708,586	3,549,912,563	2,520,427,114	1,029,485,449
Education - higher education	1,072,894,955	955,346,102	938,944,998	16,401,104
Human services	6,533,409,725	7,718,185,702	6,560,923,290	1,157,262,412
Commerce and industry	482,669,736	885,290,555	471,363,716	413,926,839
Public safety	586,909,945	877,922,431	634,045,154	243,877,277
Motor vehicles	-	-	-	-
Infrastructure	385,537,358	497,572,340	207,772,546	289,799,794
Special purpose agencies	155,678,647	203,007,665	160,833,555	42,174,110
<i>Other financing uses:</i>				
Transfers to other funds	38,111,008	173,434,929	173,434,929	-
Reversions to other funds	-	-	6,248,268	(6,248,268)
Projected reversions	(64,000,000)	(64,000,000)	-	(64,000,000)
<b>Total uses of financial resources</b>	<b>13,163,450,530</b>	<b>19,127,637,910</b>	<b>12,794,810,127</b>	<b>6,332,827,783</b>
<b>Fund balances, June 30</b>	<b>\$ 904,573,420</b>	<b>\$ 1,106,400,140</b>	<b>\$ 4,873,268,804</b>	<b>\$ 3,766,868,664</b>

(continued)

State Highway			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 477,903,964	\$ 477,903,964	\$ 477,903,964	\$ -
-	-	-	-
-	-	-	-
370,520,507	396,653,597	288,960,879	(107,692,718)
391,570,437	383,596,359	392,754,004	9,157,645
20,868,478	22,163,478	21,895,474	(268,004)
222,067,897	237,416,888	235,520,987	(1,895,901)
6,643,865	7,720,740	3,766,320	(3,954,420)
42,702,594	45,275,076	41,601,931	(3,673,145)
160,000,000	160,000,000	160,008,694	8,694
9,443,060	78,233,723	80,125,030	1,891,307
-	-	-	-
<u>1,701,720,802</u>	<u>1,808,963,825</u>	<u>1,702,537,283</u>	<u>(106,426,542)</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
99,820,561	139,173,993	110,496,514	28,677,479
151,736,129	193,498,358	132,098,489	61,399,869
1,101,202,846	1,240,832,159	846,870,036	393,962,123
-	-	-	-
92,023,491	92,023,491	92,023,491	-
-	-	431,358	(431,358)
(69,386,573)	(96,386,573)	-	(96,386,573)
<u>1,375,396,454</u>	<u>1,569,141,428</u>	<u>1,181,919,888</u>	<u>387,221,540</u>
<u>\$ 326,324,348</u>	<u>\$ 239,822,397</u>	<u>\$ 520,617,395</u>	<u>\$ 280,794,998</u>



## Notes to the Required Supplementary Information

For the Fiscal Year Ended June 30, 2021

### Budgetary Reporting

The accompanying Budgetary Comparison Schedule – General Fund and Major Special Revenue Funds presents both the original and the final legally adopted budgets, as well as actual data on a budgetary basis. (Note 2 of the basic financial statements identifies the budgeting process and control.)

The original budget is adopted through passage of the General Appropriations Act, which allows for expenditures from unrestricted revenues, while the Authorized Expenditures Act allows for expenditures from revenues collected for specific purposes (restricted revenues). For programs financed from restricted revenues, spending authorization is generally contingent upon recognition of the related revenue. Reductions of spending authority occur if revenues fall short of estimates. If revenues exceed the estimate, supplemental appropriations are required before the additional resources can be spent.

Generally Accepted Accounting Principles (GAAP) require that the final legal budget be reflected in the “final budget” column. Therefore, updated revenue estimates available for appropriations as of August 18th are reported instead of the amounts disclosed in the original budget. The August 18, 2021 date is used because this is the date for which the Legislative Interim Finance Committee affected the last changes to the fiscal year ended June 30, 2021 budget as permitted by NRS 353.220.

Since the budgetary and GAAP presentations of actual data differ, a reconciliation of ending fund balances is presented below (expressed in thousands):

	<u>General Fund</u>	<u>State Highway</u>
<b>Fund balances (budgetary basis) June 30, 2021</b>	\$ 4,873,269	\$ 520,617
<b>Adjustments:</b>		
<i>Basis differences:</i>		
Petty cash or outside bank accounts	4,163	212
Accrual of certain other receivables	530,118	643
Inventory	101,798	22,706
Advances to other funds	53,974	3,470
Accrual of certain accounts payable and other liabilities	(692,807)	(9,818)
Unearned revenues	(3,223,854)	-
Deferred inflows - unavailable	(257,493)	-
Encumbrances	3,027	7,855
Other	(2,242)	6,106
<i>Perspective differences:</i>		
Special revenue fund reclassified to General Fund for GAAP purposes	31,076	-
<b>Fund balances (GAAP basis) June 30, 2021</b>	<u>\$ 1,421,029</u>	<u>\$ 551,791</u>

Total fund balance on the budgetary basis in the General Fund at June 30, 2021, is composed of both restricted funds, which are not available for appropriation, and unrestricted funds as follows (expressed in thousands):

Total fund balance (budgetary basis)	\$ 4,873,269
Restricted funds	(3,839,579)
<b>Unrestricted fund balance (budgetary basis)</b>	<u>\$ 1,033,690</u>

## Required Supplementary Information

For the Fiscal Year Ended June 30, 2021

### Pension Plan Information

#### A. Multiple-employer Cost Sharing Plan

*Primary Government* - The following schedule presents the State's proportionate share of the net pension liability for the Public Employees' Retirement System (expressed in thousands):

	2020	2019	2018	2017	2016	2015	2014
State's proportion of the net pension liability	16.8 %	16.7 %	16.5 %	16.8 %	16.3 %	16.4 %	16.6 %
State's proportionate share of the net pension liability	\$ 2,345,467	\$ 2,278,610	\$ 2,248,729	\$ 2,233,666	\$ 2,187,213	\$ 1,879,626	\$ 1,730,601
State's covered payroll	\$ 1,092,368	\$ 1,049,306	\$ 997,840	\$ 984,131	\$ 906,687	\$ 874,098	\$ 872,316
State's proportionate share of the net pension liability as a percentage of its covered payroll	215 %	217 %	225 %	227 %	241 %	215 %	198 %
Plan fiduciary net position as a percentage of the total pension liability	77 %	76 %	75 %	74 %	72 %	75 %	76 %

Note: This schedule requires ten years of information to be presented. However, until ten years of data is available, only those years for which information is available will be presented.

The following schedule presents a ten-year history of the State's contributions to the Public Employees' Retirement System (expressed in thousands):

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Statutorily required contributions	\$ 175,570	\$ 176,300	\$ 161,627	\$ 153,762	\$ 151,492	\$ 190,528	\$ 176,579	\$ 174,712	\$ 162,484	\$ 163,219
Contributions in relation to the statutorily required contribution	\$ 175,570	\$ 176,300	\$ 161,627	\$ 153,762	\$ 151,492	\$ 190,528	\$ 176,579	\$ 174,712	\$ 162,484	\$ 163,219
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,085,098	\$ 1,092,368	\$ 1,049,306	\$ 997,840	\$ 984,131	\$ 906,687	\$ 874,098	\$ 872,316	\$ 855,179	\$ 859,047
Contributions as a percentage of covered payroll	16 %	16 %	15 %	15 %	15 %	21 %	20 %	20 %	19 %	19 %

Note: GASB Statement No. 82 was implemented in fiscal year 2017, and as a result, contributions no longer include payments made by the State to satisfy contribution requirements that are identified by the plan terms as member contributions. In addition, GASB Statement No. 82 clarified covered payroll which was implemented in fiscal year 2017; prior years are not reflective of this change.

*Nevada System of Higher Education (NSHE)* - The following schedule presents the NSHE's proportionate share of the net pension liability for the Public Employees' Retirement System (expressed in thousands):

	2020	2019	2018	2017	2016	2015	2014
NSHE's proportion of the net pension liability	3.0 %	3.0 %	2.9 %	2.9 %	2.9 %	2.8 %	2.8 %
NSHE's proportionate share of the net pension liability	\$ 424,238	\$ 414,036	\$ 398,883	\$ 383,226	\$ 389,352	\$ 324,708	\$ 292,841
NSHE's covered payroll	\$ 200,838	\$ 196,183	\$ 187,737	\$ 179,694	\$ 171,007	\$ 165,653	\$ 162,250
NSHE's proportionate share of the net pension liability as a percentage of its covered payroll	211 %	211 %	212 %	213 %	228 %	196 %	180 %
Plan fiduciary net position as a percentage of the total pension liability	77 %	76 %	75 %	74 %	72 %	75 %	76 %

Note: This schedule requires ten years of information to be presented. However, until ten years of data is available, only those years for which information is available will be presented.

The following schedule presents a ten-year history of the NSHE's contributions to the Public Employees' Retirement System (expressed in thousands):

	2021	2020	2019	2018	2017	2016	2015
Statutorily required contributions	\$ 31,286	\$ 30,564	\$ 28,549	\$ 27,030	\$ 34,456	\$ 33,124	\$ 29,901
Contributions in relation to the statutorily required contribution	\$ 31,286	\$ 30,564	\$ 28,549	\$ 27,030	\$ 43,152	\$ 35,756	\$ 29,901
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -	\$ 8,696	\$ 2,632	\$ -
Covered payroll	\$ 205,049	\$ 200,838	\$ 196,183	\$ 187,737	\$ 179,694	\$ 171,007	\$ 165,653
Contributions as a percentage of covered payroll	15 %	15 %	15 %	14 %	19 %	19 %	18 %

Notes: 1) GASB Statement No. 82 was implemented in fiscal year 2017, and as a result, contributions no longer include payments made by the NSHE to satisfy contribution requirements that are identified by the plan terms as member contributions. In addition, GASB Statement No. 82 clarified covered payroll which was implemented in fiscal year 2017; prior years are not reflective of this change. 2) This schedule requires ten years of information to be presented. However, until ten years of data is available, only those years for which information is available will be presented.

## Required Supplementary Information

For the Fiscal Year Ended June 30, 2021

*Colorado River Commission (CRC)* - The following schedule presents the CRC's proportionate share of the net pension liability for the Public Employees' Retirement System (expressed in thousands):

	2020	2019	2018	2017	2016	2015	2014
CRC's proportion of the net pension liability	0.04 %	0.04 %	0.04 %	0.04 %	0.05 %	0.05 %	0.05 %
CRC's proportionate share of the net pension liability	\$ 6,152	\$ 5,986	\$ 5,994	\$ 5,867	\$ 6,596	\$ 4,997	\$ 6,305
CRC's covered payroll	\$ 2,881	\$ 2,970	\$ 2,856	\$ 2,702	\$ 2,575	\$ 2,531	\$ 2,348
CRC's proportionate share of the net pension liability as a percentage of its covered payroll	214 %	202 %	210 %	217 %	256 %	197 %	269 %
Plan fiduciary net position as a percentage of the total pension liability	77 %	76 %	75 %	74 %	72 %	75 %	76 %

Note: This schedule requires ten years of information to be presented. However, until ten years of data is available, only those years for which information is available will be presented.

The following schedule presents the CRC's contributions to the Public Employees' Retirement System (expressed in thousands):

	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contributions	\$ 439	\$ 460	\$ 423	\$ 406	\$ 396	\$ 523	\$ 507	\$ 528
Contributions in relation to the statutorily required contribution	\$ 441	\$ 465	\$ 423	\$ 406	\$ 396	\$ 523	\$ 507	\$ 528
Contribution (deficiency) excess	\$ 2	\$ 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,881	\$ 3,092	\$ 2,970	\$ 2,856	\$ 2,702	\$ 2,575	\$ 2,531	\$ 2,348
Contributions as a percentage of covered payroll	15 %	15 %	14 %	14 %	15 %	20 %	20 %	22 %

Notes: 1) GASB Statement No. 82 was implemented in fiscal year 2017, and as a result, contributions no longer include payments made by the CRC to satisfy contribution requirements that are identified by the plan terms as member contributions. In addition, GASB Statement No. 82 clarified covered payroll which was implemented in fiscal year 2017; prior years are not reflective of this change. 2) This schedule requires ten years of information to be presented. However, until ten years of data is available, only those years for which information is available will be presented.

### B. Single-employer Plan

The following schedule presents the changes in the net pension liability for the Legislators' Retirement System (expressed in thousands):

	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>							
Service cost	\$ 33	\$ 29	\$ 30	\$ 29	\$ 31	\$ 39	\$ 37
Interest	349	372	373	398	414	426	428
Differences between expected and actual experience	56	(266)	47	(82)	(145)	(109)	-
Changes of assumptions	-	-	-	125	-	-	-
Benefit payments, including refunds	(427)	(470)	(460)	(482)	(503)	(497)	(494)
Net change in total pension liability	11	(335)	(10)	(12)	(203)	(141)	(29)
Total pension liability - beginning	4,830	5,165	5,175	5,187	5,390	5,531	5,560
<b>Total pension liability - ending (a)</b>	<b>\$ 4,841</b>	<b>\$ 4,830</b>	<b>\$ 5,165</b>	<b>\$ 5,175</b>	<b>\$ 5,187</b>	<b>\$ 5,390</b>	<b>\$ 5,531</b>
<b>Plan fiduciary net position</b>							
Contributions - employer	\$ 98	\$ 98	\$ 105	\$ 105	\$ 156	\$ 156	\$ 213
Contributions - employee	25	24	20	20	23	23	27
Net investment income	294	342	397	526	62	179	804
Benefit payments, including refunds	(427)	(470)	(460)	(481)	(503)	(497)	(494)
Administrative expense	(80)	(75)	(72)	(68)	(65)	(85)	(46)
Other	81	76	73	69	66	86	46
Net change in plan fiduciary net position	(9)	(5)	63	171	(261)	(138)	550
Plan fiduciary net position - beginning	4,703	4,708	4,645	4,474	4,735	4,873	4,323
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 4,694</b>	<b>\$ 4,703</b>	<b>\$ 4,708</b>	<b>\$ 4,645</b>	<b>\$ 4,474</b>	<b>\$ 4,735</b>	<b>\$ 4,873</b>
<b>Net pension liability - beginning</b>	<b>\$ 127</b>	<b>\$ 457</b>	<b>\$ 530</b>	<b>\$ 713</b>	<b>\$ 655</b>	<b>\$ 658</b>	<b>\$ 1,237</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 147</b>	<b>\$ 127</b>	<b>\$ 457</b>	<b>\$ 530</b>	<b>\$ 713</b>	<b>\$ 655</b>	<b>\$ 658</b>
Plan fiduciary net position as a percentage of total pension liability	97 %	97 %	91 %	90 %	86 %	88 %	88 %
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: This schedule requires ten years of information to be presented. However, until ten years of data is available, only those years for which information is available will be presented.

## Required Supplementary Information

For the Fiscal Year Ended June 30, 2021

The following schedule presents the State's (primary government's) contributions to the Legislators' Retirement System (expressed in thousands):

	2021	2020	2019	2018	2017	2016	2015
Statutorily required contributions	\$ 166	\$ -	\$ 196	\$ -	\$ 210	\$ -	\$ 312
Contributions in relation to the statutorily required contribution	\$ 166	\$ -	\$ 196	\$ -	\$ 210	\$ -	\$ 312
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: This schedule requires ten years of information to be presented. However, until ten years of data is available, only those years for which information is available will be presented.

### C. Agent Multiple-employer Plan

The following schedule presents the changes in the net pension liability for the Judicial Retirement System (expressed in thousands):

	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>							
Service cost	\$ 4,117	\$ 4,092	\$ 4,231	\$ 3,718	\$ 3,828	\$ 3,593	\$ 3,411
Interest	11,034	10,415	10,141	9,993	9,677	8,876	8,367
Differences between expected and actual experience	(3,301)	(30)	(5,065)	1,123	(4,211)	1,250	(2,666)
Change of assumptions	-	-	-	79	-	-	-
Benefit payments, including refunds	(6,594)	(6,119)	(5,657)	(5,524)	(5,351)	(4,896)	(4,295)
Other	-	220	515	419	-	2,357	990
Net change in total pension liability	5,256	8,578	4,165	9,808	3,943	11,180	5,807
Total pension liability - beginning	146,304	137,726	133,561	123,753	119,810	108,630	102,823
<b>Total pension liability - ending (a)</b>	<b>\$ 151,560</b>	<b>\$ 146,304</b>	<b>\$ 137,726</b>	<b>\$ 133,561</b>	<b>\$ 123,753</b>	<b>\$ 119,810</b>	<b>\$ 108,630</b>
<b>Plan fiduciary net position</b>							
Contributions - employer	\$ 5,334	\$ 5,265	\$ 5,307	\$ 5,786	\$ 5,773	\$ 6,155	\$ 6,002
Contributions - employee	635	473	115	255	269	96	-
Net investment income	8,418	9,551	9,696	12,556	1,556	3,206	14,252
Benefit payments, including refunds	(6,594)	(6,119)	(5,657)	(5,524)	(5,351)	(4,896)	(4,295)
Administrative expense	(109)	(106)	(101)	(95)	(90)	(86)	(83)
Other	-	220	515	419	-	2,357	990
Net change in plan fiduciary net position	7,684	9,284	9,875	13,397	2,157	6,832	16,866
Plan fiduciary net position - beginning	133,658	124,374	114,499	101,102	98,945	92,113	75,247
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 141,342</b>	<b>\$ 133,658</b>	<b>\$ 124,374</b>	<b>\$ 114,499</b>	<b>\$ 101,102</b>	<b>\$ 98,945</b>	<b>\$ 92,113</b>
<b>Net pension liability - beginning</b>	<b>\$ 12,646</b>	<b>\$ 13,352</b>	<b>\$ 19,062</b>	<b>\$ 22,651</b>	<b>\$ 20,865</b>	<b>\$ 16,517</b>	<b>\$ 27,576</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 10,218</b>	<b>\$ 12,646</b>	<b>\$ 13,352</b>	<b>\$ 19,062</b>	<b>\$ 22,651</b>	<b>\$ 20,865</b>	<b>\$ 16,517</b>
Plan fiduciary net position as a percentage of total pension liability	93 %	91 %	90 %	86 %	82 %	83 %	85 %
Covered payroll (measurement as of end of fiscal year)	\$ 20,561	\$ 20,353	\$ 20,451	\$ 20,995	\$ 20,154	\$ 19,930	\$ 18,934
Net pension liability as a percentage of covered payroll	50 %	62 %	65 %	91 %	112	105	87

Note: This schedule requires ten years of information to be presented. However, until ten years of data is available, only those years for which information is available will be presented.

The following schedule presents the State's (primary government's) contributions to the Judicial Retirement System (expressed in thousands):

	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 5,255	\$ 5,300	\$ 5,191	\$ 5,585	\$ 5,138	\$ 5,443	\$ 5,266
Contributions in relation to the actuarially determined contribution	\$ 4,851	\$ 4,776	\$ 4,744	\$ 4,789	\$ 5,262	\$ 5,227	\$ 5,535
Contribution (deficiency) excess	\$ (404)	\$ (524)	\$ (447)	\$ (796)	\$ 124	\$ (216)	\$ 269
Covered payroll	\$ 17,133	\$ 17,549	\$ 17,414	\$ 17,583	\$ 18,195	\$ 17,425	\$ 17,132
Contributions as a percentage of covered payroll	28 %	27 %	27 %	27 %	29 %	30 %	32 %

Note: This schedule requires ten years of information to be presented. However, until ten years of data is available, only those years for which information is available will be presented.

Notes to Required Supplementary Information – actuarial assumptions used in calculating the actuarially determined contributions can be found in Note 10C.

## Required Supplementary Information

For the Fiscal Year Ended June 30, 2021

### Postemployment Benefits Other Than Pensions (OPEB)

*Primary Government* - The following schedule presents the State's proportionate share of the collective net OPEB liability (expressed in thousands):

	2020	2019	2018	2017
State's proportion of the collective net OPEB liability	58.68 %	58.14 %	59.88 %	61.43 %
State's proportionate share of the collective net OPEB liability	\$ 882,306	\$ 810,288	\$ 793,089	\$ 799,477
State's covered payroll *	\$ 1,109,289	\$ 1,058,033	\$ 1,010,679	\$ 964,668
State's proportionate share of the collective net OPEB liability as a percentage of its covered payroll *	79.54 %	76.58 %	78.47 %	82.88 %
Plan fiduciary net position as a percentage of the total OPEB liability	(0.38)%	0.02 %	0.12 %	0.11 %

Note: This schedule requires ten years of information to be presented. However, until ten years of data is available, only those years for which information is available will be presented.

\* The 2017 State's covered payroll and the State's proportionate share of the collective net OPEB liability as a percentage of its covered payroll have been revised.

The following schedule presents the State's contributions to the OPEB plan (expressed in thousands):

	2021	2020	2019	2018
Contractually required contribution *	\$ 23,290	\$ 25,957	\$ 24,758	\$ 23,751
Contributions in relation to the contractually required contribution	\$ 23,290	\$ 25,957	\$ 24,758	\$ 23,751
State's covered payroll *	\$ 986,868	\$ 1,109,289	\$ 1,058,033	\$ 1,010,679
Contributions as a percentage of covered payroll	2.36 %	2.34 %	2.34 %	2.35 %

Note: This schedule requires ten years of information to be presented. However, until ten years of data is available, only those years for which information is available will be presented.

\* The 2018 contractually required contribution, contribution deficiency and State's covered payroll have been revised.

*Nevada System of Higher Education (NSHE)* - The following schedule presents the NSHE's proportionate share of the collective net OPEB liability (expressed in thousands):

	2021	2020	2019	2018
NSHE's proportion of the collective net OPEB liability	40.35 %	40.85 %	39.13 %	37.59 %
NSHE's proportionate share of the collective net OPEB liability	\$ 606,769	\$ 569,268	\$ 518,254	\$ 489,754
NSHE's covered payroll	\$ 744,695	\$ 757,182	\$ 711,803	\$ 625,454
NSHE's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	81.48 %	75.18 %	72.81 %	78.30 %
Plan fiduciary net position as a percentage of the total OPEB liability	(0.38)%	0.02 %	0.12 %	0.11 %

Note: This schedule requires ten years of information to be presented. However, until ten years of data is available, only those years for which information is available will be presented.

The following schedule presents the NSHE's contributions to the OPEB plan (expressed in thousands):

	2021	2020	2019	2018
Contractually required contribution	\$ 17,426	\$ 17,794	\$ 16,727	\$ 15,689
Contributions in relation to the contractually required contribution	\$ 15,857	\$ 17,716	\$ 16,656	\$ 15,702
Contribution (deficiency) excess	\$ (1,569)	\$ (78)	\$ (71)	\$ 13
NSHE's covered payroll	\$ 744,695	\$ 757,182	\$ 711,803	\$ 667,622
Contributions as a percentage of covered payroll	2.34 %	2.35 %	2.35 %	2.35 %

Note: This schedule requires ten years of information to be presented. However, until ten years of data is available, only those years for which information is available will be presented.

## Required Supplementary Information

For the Fiscal Year Ended June 30, 2021

*Colorado River Commission (CRC)* - The following schedule presents the CRC's proportionate share of the collective net OPEB liability (expressed in thousands):

	2021	2020	2019	2017
CRC's proportion of the collective net OPEB liability	0.16 %	0.16 %	0.17 %	0.17 %
CRC's proportionate share of the collective net OPEB liability	\$ 2,376	\$ 2,267	\$ 2,218	\$ 2,261
CRC's covered payroll	\$ 2,881	\$ 3,105	\$ 3,167	\$ 2,891
CRC's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	82.49 %	73.01 %	70.04 %	78.22 %
Plan fiduciary net position as a percentage of the total OPEB liability	(0.38)%	0.02 %	0.12 %	0.11 %

Note: This schedule requires ten years of information to be presented. However, until ten years of data is available, only those years for which information is available will be presented.

The following schedule presents the CRC's contributions to the OPEB plan (expressed in thousands):

	2021	2020	2019	2018
Contractually required contribution	\$ 69	\$ 73	\$ 52	\$ 68
Contributions in relation to the contractually required contribution	\$ 63	\$ 73	\$ 69	\$ 66
Contribution (deficiency) excess	\$ -	\$ -	\$ 17	\$ (2)
CRC's covered payroll	\$ 2,881	\$ 3,105	\$ 3,167	\$ 2,750
Contributions as a percentage of covered payroll	2.41 %	2.34 %	1.65 %	2.48 %

Note: This schedule requires ten years of information to be presented. However, until ten years of data is available, only those years for which information is available will be presented.

*Notes to Required Supplementary Information* - In fiscal year 2020, the discount rate used to measure the total OPEB liability decreased from 3.87% to 2.21%.

## Required Supplementary Information

For the Fiscal Year Ended June 30, 2021

### Schedule of Infrastructure Condition and Maintenance Data

The State has adopted the modified approach for reporting infrastructure assets defined as a single roadway network that includes bridges. Bridges are not considered a subsystem as they are included in the cost of road construction. Under this approach, the State expenses certain maintenance and preservation costs and does not report depreciation expense. The single roadway network accounted for under the modified approach includes the combination of 5,400 centerline miles of roads and 1,200 bridges.

The State manages its roadway network by dividing the roadway system into five categories based on the traffic load. The categories range from category I, representing the busiest roadways and interstates, to category V, representing the least busy rural routes with an average daily traffic of less than 400 vehicles. To monitor the condition of the roadways the State uses the International Roughness Index (IRI). IRI measures the cumulative deviation from a smooth surface. The lower the IRI value, the better the condition of the roadway. Results of the condition assessments provide reasonable assurance that the condition level of the roadways is being preserved above, or approximately at, the condition level established for all road categories. The following tables show the State's condition level of the roadways.

Condition Level of the Roadways					
Percentage of roadways with an IRI of 95 or less					
	I	II	Category III	IV	V
State Policy-minimum percentage	70%	65%	60%	40%	10%
Actual results of 2020 condition assessment	91%	86%	87%	54%	28%
Actual results of 2019 condition assessment	91%	86%	88%	57%	28%
Actual results of 2018 condition assessment	90%	88%	91%	58%	25%

The State has set a policy to maintain its bridges so that not more than 7 percent are structurally deficient. The following table shows the State's policy and condition level of the bridges.

Condition Level of the Bridges			
Percentage of substandard bridges			
	2021	2020	2018
State Policy-maximum percentage	7%	7%	10%
Actual results condition assessment	1%	1%	2%

The following table shows the State's estimate of spending necessary to preserve and maintain the roadway network at, or above, the established condition level and the actual amount spent during the past five fiscal years.

Maintenance and Preservation Costs					
(Expressed in Thousands)					
	2021	2020	2019	2018	2017
Estimated	\$ 212,856	\$ 178,393	\$ 134,713	\$ 286,153	\$ 171,755
Actual	181,928	152,595	130,158	252,859	157,670

Maintenance and preservation costs are primarily funded with highway user revenue, fuel taxes, vehicle registration and license fees. The funding level for maintenance and preservation costs is affected by the amount of taxes and fees collected and the amount appropriated for construction of new roadways.

# **COMBINING STATEMENTS AND SCHEDULES**



# Nonmajor Governmental Funds

## NONMAJOR SPECIAL REVENUE FUNDS

**Municipal Bond Bank** Accounts for revenues and expenditures associated with buying local governments' bonds with proceeds of State general obligation bonds (NRS 350A.190).

**Employment Security** Accounts for the administration of employment training programs (NRS 612.607), unemployment compensation claims (NRS 612.605), and employment security laws (NRS 612.615).

**Regulatory** Accounts for receipts and expenditures related to enforcement of regulations pursuant to dairy products (NRS 584.053), legal judgments against real estate licensees (NRS 645.842), regulation of public utilities (NRS 703.147), and regulation of taxicabs (NRS 706.8825).

**Higher Education Capital Construction** Accounts for the first \$5,000,000 and 20% of the remaining annual slot machine tax, which is designated for capital construction and payment of principal and interest of construction bonds for higher education (NRS 463.385).

**Cleaning Up Petroleum Discharges** Accounts for fees collected and claims paid related to the use, storage or discharge of petroleum (NRS 445C.310).

**Hospital Care to Indigent Persons** Accounts for taxes levied to provide care to indigent persons hospitalized from motor vehicle accidents, and for taxes received and payments to counties for supplemental medical assistance to indigent persons (NRS 428.175).

**Tourism Promotion** Accounts for room taxes and other monies designated for the support of the Commission on Tourism (NRS 231.250).

**Offenders' Store** Accounts for operations of the general merchandise stores and snack bars used by offenders. Earnings, except interest, must be expended for the welfare and benefit of all offenders (NRS 209.221).

**Tobacco Settlement** Accounts for proceeds from settlement agreements with and civil actions against manufacturers of tobacco products, forty percent of which is allocated to the Millennium Scholarship fund for the purpose of increasing the number of State residents who enroll in and attend a university or community college of the Nevada System of Higher Education (NRS 396.926), and sixty percent of which is allocated to the Healthy Nevada fund (NRS 439.620) for the purpose of assisting Nevada residents in obtaining and maintaining good health.

**Resilient Nevada** Accounts for judgements received or settlements entered into by the State as a result of litigation concerning the manufacture, distribution, sale or marketing of opioids to be used to address the impacts, risks, and harms of opioid use (SB 390 section 8 of the 2021 Session).

**Attorney General Settlement** Accounts for receipts from the National Mortgage Settlement for purposes of foreclosure relief and housing programs.

**Gift** Accounts for gifts and grants received by the Department of Conservation and Natural Resources (NRS 232.070), the Department of Wildlife (NRS 501.3585), the State Board of Education (NRS 385.083), the State Library, Archives and Public Records (NRS 378.090), the Division of State Parks (NRS 407.075), the Rehabilitation Division of the Department of Employment, Training and Rehabilitation (NRS 232.960), and the Department of Health and Human Services (NRS 232.355).

**Natural Resources** Accounts for grants to publicly owned water systems for water conservation and capital improvements (NRS 349.952).

**NV Real Property Corp General Fund** Accounts for the general fund activity of the Nevada Real Property Corporation, a blended component unit incorporated to finance certain construction projects.

**State Education Fund** Accounts for a combination of State and local revenues to be used for the basic support guarantee per pupil (NRS 387.122) that is established by the Legislature each biennium.

**Miscellaneous** Accounts for receipts and expenditures related to compensation of victims of crime (NRS 217.260); fees related to private investigators and recoveries for unfair trade practices (NRS 228.096); prosecution of racketeering (NRS 207.415); and the office of advocate for customers of public utilities (NRS 228.310). It also accounts for private money received by the Division of Museums and History for the Dedicated Trust Fund (NRS 381.0031; and receipts for the care of sites for the disposal of radioactive waste (NRS 459.231).

## **NONMAJOR DEBT SERVICE FUNDS**

**Consolidated Bond Interest and Redemption Fund** Accumulates monies for the payment of leases and of principal and interest on general obligation bonds of the State (NRS 349.090).

**Highway Revenue Bonds** Accumulates monies for the payment of principal and interest on highway revenue bonds of the State (NRS 349.300).

## **NONMAJOR CAPITAL PROJECTS FUNDS**

**Parks Capital Project Construction** Accounts for the parks improvements program for the Division of State Parks of the Department of Conservation and Natural Resources (NRS 407.065).

**Capital Improvement Program - Motor Vehicle** Accounts for capital improvement projects for the Department of Motor Vehicles and Public Safety (NRS 341.146).

**Capital Improvement Program - University System** Accounts for capital improvement projects for the Nevada System of Higher Education (NRS 341.146).

**Capital Improvement Program - General State Government** Accounts for capital improvement projects for general government (NRS 341.146).

**Capital Improvement Program - Prison System** Accounts for capital improvement projects for the Department of Corrections (NRS 341.146).

**Capital Improvement Program - Military** Accounts for capital improvement projects for the Department of Military (NRS 341.146).

**Capital Improvement Program - Wildlife** Accounts for capital improvement projects for the Department of Wildlife (NRS 341.146).

**Capital Improvement Program - Bond Proceeds** Accounts for the proceeds of bonds issued for capital improvement projects (NRS 341.146).

## **NONMAJOR PERMANENT FUNDS**

**Permanent School Fund** Accounts for certain property and the proceeds derived from such property, escheated estates, and all fines collected under penal laws of the State, which become permanent assets of the fund. All earnings on the assets are to be used for education (State Constitution, Article 11, Section 3).

**Henry Wood Christmas Fund** Accounts for the bequest of the late Henry Wood to provide Christmas gifts to orphans.

# Combining Balance Sheet

## Nonmajor Governmental Funds

June 30, 2021

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>Assets</b>					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ 284,790,880	\$ 173,968,336	\$ 22,154,740	\$ 17,434,825	\$ 498,348,781
Cash in custody of other officials	104,967	-	-	3,270,522	3,375,489
Investments	1,718,687	-	-	447,105,244	448,823,931
<i>Receivables:</i>					
Accounts receivable	44,795,252	-	-	660	44,795,912
Taxes receivable	1,895,122	-	-	-	1,895,122
Intergovernmental receivables	13,827,112	824,028	850,957	2,185,952	17,688,049
Accrued interest and dividends	994,916	-	-	450,819	1,445,735
Notes/loans receivable	79,065,000	-	-	-	79,065,000
Capital lease receivable	45,200,000	-	-	-	45,200,000
Due from other funds	89,134,388	14,504,238	12,823,719	188,790	116,651,135
Due from fiduciary funds	1,211,890	-	-	-	1,211,890
Due from component units	174,848	-	-	23,180,454	23,355,302
Inventory	476,904	-	-	-	476,904
Restricted assets:	8,437,460	-	68,925,839	-	77,363,299
Prepaid items	110,401	-	-	-	110,401
<b>Total assets</b>	<b>\$ 571,937,827</b>	<b>\$ 189,296,602</b>	<b>\$ 104,755,255</b>	<b>\$ 493,817,266</b>	<b>\$ 1,359,806,950</b>
<b>Liabilities</b>					
<i>Accounts payable and accruals:</i>					
Accounts payable	\$ 14,049,474	\$ 10,688	\$ 2,982,468	\$ -	\$ 17,042,630
Accrued payroll and related liabilities	2,866,837	-	-	-	2,866,837
Intergovernmental payables	1,182,065	-	-	-	1,182,065
Contracts/retentions payable	-	-	11,037,203	-	11,037,203
Due to other funds	67,890,216	-	16,633,479	93,945,386	178,469,081
Due to fiduciary funds	2,443	-	-	-	2,443
Due to component units	1,794,963	-	502,700	-	2,297,663
Advances from other funds	50,000,000	-	-	-	50,000,000
Unearned revenues	2,238,722	-	-	-	2,238,722
Other liabilities	33,522,375	-	-	2,745,545	36,267,920
<b>Total liabilities</b>	<b>173,547,095</b>	<b>10,688</b>	<b>31,155,850</b>	<b>96,690,931</b>	<b>301,404,564</b>
<b>Deferred Inflows of Resources</b>					
<i>Unavailable revenue:</i>					
Taxes	359,785	-	-	-	359,785
Licenses, fees and permits	692	-	-	-	692
Settlement income	18,034,394	-	-	-	18,034,394
Lease principal payments	45,200,000	-	-	-	45,200,000
Interest	462,761	148,489	88,728	19,670	719,648
Other	652,508	-	-	660	653,168
<b>Total deferred inflows of resources</b>	<b>64,710,140</b>	<b>148,489</b>	<b>88,728</b>	<b>20,330</b>	<b>64,967,687</b>
<b>Fund Balances</b>					
Nonspendable	587,305	-	-	397,035,149	397,622,454
Restricted	76,806,838	26,310,076	70,558,394	70,856	173,746,164
Committed	256,286,449	162,827,349	2,952,283	-	422,066,081
<b>Total fund balances</b>	<b>333,680,592</b>	<b>189,137,425</b>	<b>73,510,677</b>	<b>397,106,005</b>	<b>993,434,699</b>
<b>Total liabilities and deferred inflows of resources and fund balances</b>	<b>\$ 571,937,827</b>	<b>\$ 189,296,602</b>	<b>\$ 104,755,255</b>	<b>\$ 493,817,266</b>	<b>\$ 1,359,806,950</b>

# Combining Statement of Revenues, Expenditures and Changes in Fund Balances

## Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2021

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>					
Gaming taxes, fees, licenses	\$ 12,618,027	\$ -	\$ -	\$ -	\$ 12,618,027
Property and transfer taxes	16,554,810	192,902,313	-	-	209,457,123
Motor and special fuel taxes	-	75,418,365	-	-	75,418,365
Other taxes	43,162,863	-	-	-	43,162,863
Intergovernmental	137,034,719	514,721	852,416	-	138,401,856
Licenses, fees and permits	22,089,582	-	-	-	22,089,582
Sales and charges for services	20,379,119	250,055	-	-	20,629,174
Interest and investment income	2,791,962	(1,071,882)	(733,717)	73,889,263	74,875,626
Settlement income	72,257,076	-	-	-	72,257,076
Land sales	-	-	-	6,514,366	6,514,366
Other	19,724,405	-	-	7,140,499	26,864,904
<b>Total revenues</b>	<b>346,612,563</b>	<b>268,013,572</b>	<b>118,699</b>	<b>87,544,128</b>	<b>702,288,962</b>
<b>Expenditures</b>					
<i>Current:</i>					
General government	44,686,955	412,826	-	-	45,099,781
Health services	1,326,939	-	-	-	1,326,939
Social services	127,366,893	-	-	-	127,366,893
Education - K-12 administrative	10,368,617	-	-	-	10,368,617
Education - higher education	-	-	69,559,670	-	69,559,670
Law, justice and public safety	32,228,665	-	-	-	32,228,665
Regulation of business	18,516,843	-	-	-	18,516,843
Recreation and resource development	21,581,797	-	-	-	21,581,797
Capital outlay	-	-	44,043,811	-	44,043,811
<i>Debt service:</i>					
Principal	-	195,614,000	-	-	195,614,000
Interest	325	91,380,905	-	-	91,381,230
Debt issuance costs	55,695	-	1,371,002	-	1,426,697
<b>Total expenditures</b>	<b>256,132,729</b>	<b>287,407,731</b>	<b>114,974,483</b>	<b>-</b>	<b>658,514,943</b>
Excess (deficiency) of revenues over (under) expenditures	90,479,834	(19,394,159)	(114,855,784)	87,544,128	43,774,019
<b>Other Financing Sources (Uses)</b>					
Bonds issued	1,280,000	-	87,775,000	-	89,055,000
Refunding bonds issued	-	-	13,375,000	-	13,375,000
Premium on bonds issued	276,536	-	14,911,896	-	15,188,432
Payment to refunded bond agent	-	-	(16,125,000)	-	(16,125,000)
Transfers in	78,001,844	31,553,384	73,033,791	-	182,589,019
Transfers out	(135,863,554)	(9,000,000)	(145,602,030)	(74,460,836)	(364,926,420)
<b>Total other financing sources (uses)</b>	<b>(56,305,174)</b>	<b>22,553,384</b>	<b>27,368,657</b>	<b>(74,460,836)</b>	<b>(80,843,969)</b>
Net change in fund balances	34,174,660	3,159,225	(87,487,127)	13,083,292	(37,069,950)
Fund balances, July 1	299,505,932	185,978,200	119,020,003	384,022,713	988,526,848
Prior period adjustment	-	-	41,977,801	-	41,977,801
Fund balances, July 1 (as restated)	299,505,932	185,978,200	160,997,804	384,022,713	1,030,504,649
<b>Fund balances, June 30</b>	<b>\$ 333,680,592</b>	<b>\$ 189,137,425</b>	<b>\$ 73,510,677</b>	<b>\$ 397,106,005</b>	<b>\$ 993,434,699</b>

June 30, 2021

	Municipal Bond Bank	Employment Security	Regulatory	Higher Education Capital Construction
<b>Assets</b>				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 8,859	\$ 31,711,084	\$ 13,144,166	\$ 9,815,720
Cash in custody of other officials	-	-	2,000	-
Investments	-	-	-	-
<i>Receivables:</i>				
Accounts receivable	-	1,348	348,187	11
Taxes receivable	-	359,785	-	-
Intergovernmental receivables	-	13,679,390	-	-
Accrued interest and dividends	994,821	-	-	-
Notes/loans receivable	79,065,000	-	-	-
Capital lease receivable	-	-	-	-
Due from other funds	412	8,107,840	127,731	3,318,163
Due from fiduciary funds	-	-	-	-
Due from component units	-	-	-	-
Inventory	-	-	-	-
Restricted cash	-	-	-	-
Prepaid items	-	65,694	27,632	-
<b>Total assets</b>	<b>\$ 80,069,092</b>	<b>\$ 53,925,141</b>	<b>\$ 13,649,716</b>	<b>\$ 13,133,894</b>
<b>Liabilities</b>				
<i>Accounts payable and accruals:</i>				
Accounts payable	\$ -	\$ 6,139,579	\$ 71,736	\$ -
Accrued payroll and related liabilities	-	1,719,290	618,301	-
Intergovernmental payables	-	574,288	-	-
Due to other funds	8,874	6,168,896	170,131	6,725,671
Due to fiduciary funds	-	334	-	-
Due to component units	-	1,890	-	-
Advances from other funds	-	-	-	-
Unearned revenues	-	-	2,238,722	-
Other liabilities	-	-	-	-
<b>Total liabilities</b>	<b>8,874</b>	<b>14,604,277</b>	<b>3,098,890</b>	<b>6,725,671</b>
<b>Deferred Inflows of Resources</b>				
<i>Unavailable revenue:</i>				
Taxes	-	359,785	-	-
Licenses, fees and permits	-	-	692	-
Settlement income	-	-	-	-
Lease principal payments	-	-	-	-
Interest	125,368	26,557	4,591	-
Other	-	673	7,442	11
<b>Total deferred inflows of resources</b>	<b>125,368</b>	<b>387,015</b>	<b>12,725</b>	<b>11</b>
<b>Fund Balances</b>				
Nonspendable	-	65,694	27,632	-
Restricted	-	26,438,079	3,473,420	-
Committed	79,934,850	12,430,076	7,037,049	6,408,212
<b>Total fund balances</b>	<b>79,934,850</b>	<b>38,933,849</b>	<b>10,538,101</b>	<b>6,408,212</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 80,069,092</b>	<b>\$ 53,925,141</b>	<b>\$ 13,649,716</b>	<b>\$ 13,133,894</b>

(continued)

<b>Cleaning Up Petroleum Discharges</b>	<b>Hospital Care to Indigent Persons</b>	<b>Tourism Promotion</b>	<b>Offenders' Store</b>	<b>Tobacco Settlement</b>	<b>Resilient Nevada</b>	<b>Attorney General Settlement</b>	<b>Gift</b>
\$ 13,497,921	\$ 29,125,453	\$ 6,690,740	\$ 16,142,390	\$ 35,237,726	\$ -	\$ 7,659,239	\$ 6,617,379
-	-	-	-	-	-	-	29,980
-	-	-	-	-	-	-	133,413
1,500	-	18,971	947,082	18,034,394	-	-	3,373,073
906,952	628,385	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	95
-	-	-	-	-	-	-	-
100,611	377,222	3,773,334	306,788	44,071,771	28,461,750	188,377	78,472
-	-	-	1,131,640	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	256,704	-	-	-	-
-	-	-	-	-	-	-	-
-	-	1,955	8,603	522	-	2,346	-
<u>\$ 14,506,984</u>	<u>\$ 30,131,060</u>	<u>\$ 10,485,000</u>	<u>\$ 18,793,207</u>	<u>\$ 97,344,413</u>	<u>\$ 28,461,750</u>	<u>\$ 7,849,962</u>	<u>\$ 10,232,412</u>
\$ 88,936	\$ -	\$ 3,272,816	\$ 220,249	\$ 477,122	\$ -	\$ 200,450	\$ 2,454,385
-	-	77,513	199,824	16,984	-	83,973	-
-	-	241,375	-	215,264	-	-	121,590
6,860,663	146,832	138,429	941,443	5,072,119	-	25,784	19,879
-	-	-	2,109	-	-	-	-
-	-	-	-	115,922	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>6,949,599</u>	<u>146,832</u>	<u>3,730,133</u>	<u>1,363,625</u>	<u>5,897,411</u>	<u>-</u>	<u>310,207</u>	<u>2,595,854</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	18,034,394	-	-	-
9,378	23,783	140	26,024	36,804	-	7,599	11,340
-	-	-	644,363	-	-	-	-
<u>9,378</u>	<u>23,783</u>	<u>140</u>	<u>670,387</u>	<u>18,071,198</u>	<u>-</u>	<u>7,599</u>	<u>11,340</u>
-	-	1,955	265,307	522	-	2,346	-
-	-	-	16,493,888	-	-	7,529,810	5,949,255
7,548,007	29,960,445	6,752,772	-	73,375,282	28,461,750	-	1,675,963
<u>7,548,007</u>	<u>29,960,445</u>	<u>6,754,727</u>	<u>16,759,195</u>	<u>73,375,804</u>	<u>28,461,750</u>	<u>7,532,156</u>	<u>7,625,218</u>
<u>\$ 14,506,984</u>	<u>\$ 30,131,060</u>	<u>\$ 10,485,000</u>	<u>\$ 18,793,207</u>	<u>\$ 97,344,413</u>	<u>\$ 28,461,750</u>	<u>\$ 7,849,962</u>	<u>\$ 10,232,412</u>

June 30, 2021

	Natural Resources	NV Real Property Corp General Fund	State Education Fund	Miscellaneous	Total Nonmajor Special Revenue Funds
<b>Assets</b>					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ 964,319	\$ (2,938)	\$ 50,000,000	\$ 64,178,822	\$ 284,790,880
Cash in custody of other officials	-	-	-	72,987	104,967
Investments	-	-	-	1,585,274	1,718,687
<i>Receivables:</i>					
Accounts receivable	-	-	-	22,070,686	44,795,252
Taxes receivable	-	-	-	-	1,895,122
Intergovernmental receivables	21,999	-	-	125,723	13,827,112
Accrued interest and dividends	-	-	-	-	994,916
Notes/loans receivable	-	-	-	-	79,065,000
Capital lease receivable	-	45,200,000	-	-	45,200,000
Due from other funds	94,115	4,550	-	123,252	89,134,388
Due from fiduciary funds	-	-	-	80,250	1,211,890
Due from component units	-	174,848	-	-	174,848
Inventory	-	-	-	220,200	476,904
Restricted cash	7,982,157	455,303	-	-	8,437,460
Prepaid items	-	-	-	3,649	110,401
<b>Total assets</b>	<b>\$ 9,062,590</b>	<b>\$ 45,831,763</b>	<b>\$ 50,000,000</b>	<b>\$ 88,460,843</b>	<b>\$ 571,937,827</b>
<b>Liabilities</b>					
<i>Accounts payable and accruals:</i>					
Accounts payable	\$ 256,273	\$ -	\$ -	\$ 867,928	\$ 14,049,474
Accrued payroll and related liabilities	-	-	-	150,952	2,866,837
Intergovernmental payables	28,825	-	-	723	1,182,065
Due to other funds	101,373	-	-	41,510,122	67,890,216
Due to fiduciary funds	-	-	-	-	2,443
Due to component units	-	-	-	1,677,151	1,794,963
Advances from other funds	-	-	50,000,000	-	50,000,000
Unearned revenues	-	-	-	-	2,238,722
Other liabilities	-	-	-	33,522,375	33,522,375
<b>Total liabilities</b>	<b>386,471</b>	<b>-</b>	<b>50,000,000</b>	<b>77,729,251</b>	<b>173,547,095</b>
<b>Deferred Inflows of Resources</b>					
<i>Unavailable revenue:</i>					
Taxes	-	-	-	-	359,785
Licenses, fees and permits	-	-	-	-	692
Settlement income	-	-	-	-	18,034,394
Lease principal payments	-	45,200,000	-	-	45,200,000
Interest	8,575	176,460	-	6,142	462,761
Other	-	-	-	19	652,508
<b>Total deferred inflows of resources</b>	<b>8,575</b>	<b>45,376,460</b>	<b>-</b>	<b>6,161</b>	<b>64,710,140</b>
<b>Fund Balances</b>					
Nonspendable	-	-	-	223,849	587,305
Restricted	8,667,544	455,303	-	7,799,539	76,806,838
Committed	-	-	-	2,702,043	256,286,449
<b>Total fund balances</b>	<b>8,667,544</b>	<b>455,303</b>	<b>-</b>	<b>10,725,431</b>	<b>333,680,592</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 9,062,590</b>	<b>\$ 45,831,763</b>	<b>\$ 50,000,000</b>	<b>\$ 88,460,843</b>	<b>\$ 571,937,827</b>

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For the Fiscal Year Ended June 30, 2021

	Municipal Bond Bank	Employment Security	Regulatory	Higher Education Capital Construction
<b>Revenues</b>				
Gaming taxes, fees, licenses	\$ -	\$ -	\$ -	\$ 12,618,027
Property and transfer taxes	-	-	-	-
Other taxes	-	15,366,778	66,363	-
Intergovernmental	-	110,971,537	739,768	-
Licenses, fees and permits	-	426,984	16,601,670	-
Sales and charges for services	-	702,789	125	-
Interest and investment income	2,985,220	2,649	(12,835)	-
Settlement income	-	-	-	-
Other	-	5,925	340,671	-
<b>Total revenues</b>	<b>2,985,220</b>	<b>127,476,662</b>	<b>17,735,762</b>	<b>12,618,027</b>
<b>Expenditures</b>				
<i>Current:</i>				
General government	-	-	-	-
Health services	-	-	-	-
Social services	-	122,001,572	-	-
Education - K-12 administrative	-	-	-	-
Law, justice and public safety	-	-	-	-
Regulation of business	-	-	18,109,241	-
Recreation and resource development	-	-	-	-
<i>Debt service:</i>				
Interest	-	-	-	325
Debt issuance costs	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>122,001,572</b>	<b>18,109,241</b>	<b>325</b>
Excess (deficiency) of revenues over (under) expenditures	<b>2,985,220</b>	<b>5,475,090</b>	<b>(373,479)</b>	<b>12,617,702</b>
<b>Other Financing Sources (Uses)</b>				
Bonds issued	-	-	-	-
Premium on bonds issued	-	-	-	-
Transfers in	-	18,797,665	224,550	-
Transfers out	(7,671,111)	(14,855,966)	(334,250)	(11,519,075)
<b>Total other financing sources (uses)</b>	<b>(7,671,111)</b>	<b>3,941,699</b>	<b>(109,700)</b>	<b>(11,519,075)</b>
Net change in fund balances	(4,685,891)	9,416,789	(483,179)	1,098,627
Fund balances, July 1	84,620,741	29,517,060	11,021,280	5,309,585
<b>Fund balances, June 30</b>	<b>\$ 79,934,850</b>	<b>\$ 38,933,849</b>	<b>\$ 10,538,101</b>	<b>\$ 6,408,212</b>

(continued)

<b>Cleaning Up Petroleum Discharges</b>	<b>Hospital Care to Indigent Persons</b>	<b>Tourism Promotion</b>	<b>Offenders' Store</b>	<b>Tobacco Settlement</b>	<b>Resilient Nevada</b>	<b>Attorney General Settlement</b>	<b>Gift</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14,468,350	16,554,810	12,263,201	-	-	-	-	-
-	23,049,415	-	-	-	-	-	-
423,100	-	2,582	-	-	-	-	-
(31,122)	45,172	295	19,167,818	-	-	-	1,055
-	-	-	(64,679)	(454,493)	-	(41,660)	94,697
-	-	-	-	43,734,847	28,461,750	-	-
-	-	20,259	22,126	25,651	-	-	11,126,953
<u>14,860,328</u>	<u>39,649,397</u>	<u>12,286,337</u>	<u>19,125,265</u>	<u>43,306,005</u>	<u>28,461,750</u>	<u>(41,660)</u>	<u>11,222,705</u>
-	-	-	-	44,647,814	-	-	36,391
-	-	-	-	-	-	-	-
-	70,000	-	-	5,277,668	-	-	17,653
-	-	-	-	-	-	-	10,368,617
-	-	-	16,092,470	-	-	4,879,755	-
7,256,599	-	11,818,567	-	-	-	-	-
-	-	-	-	-	-	-	965,439
-	-	-	-	-	-	-	-
<u>7,256,599</u>	<u>70,000</u>	<u>11,818,567</u>	<u>16,092,470</u>	<u>49,925,482</u>	<u>-</u>	<u>4,879,755</u>	<u>11,388,100</u>
<u>7,603,729</u>	<u>39,579,397</u>	<u>467,770</u>	<u>3,032,795</u>	<u>(6,619,477)</u>	<u>28,461,750</u>	<u>(4,921,415)</u>	<u>(165,395)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	4,758,546	788,738	51,868,350	-	338,205	10,197
(9,825,875)	(35,735,205)	(3,336,248)	(9,656,718)	(35,592,927)	-	-	(14,700)
<u>(9,825,875)</u>	<u>(35,735,205)</u>	<u>1,422,298</u>	<u>(8,867,980)</u>	<u>16,275,423</u>	<u>-</u>	<u>338,205</u>	<u>(4,503)</u>
(2,222,146)	3,844,192	1,890,068	(5,835,185)	9,655,946	28,461,750	(4,583,210)	(169,898)
9,770,153	26,116,253	4,864,659	22,594,380	63,719,858	-	12,115,366	7,795,116
<u>\$ 7,548,007</u>	<u>\$ 29,960,445</u>	<u>\$ 6,754,727</u>	<u>\$ 16,759,195</u>	<u>\$ 73,375,804</u>	<u>\$ 28,461,750</u>	<u>\$ 7,532,156</u>	<u>\$ 7,625,218</u>

For the Fiscal Year Ended June 30, 2021

	Natural Resources	NV Real Property Corp General Fund	State Education Fund	Miscellaneous	Total Nonmajor Special Revenue Funds
<b>Revenues</b>					
Gaming taxes, fees, licenses	\$ -	\$ -	\$ -	\$ -	12,618,027
Property and transfer taxes	-	-	-	-	16,554,810
Other taxes	-	-	-	998,171	43,162,863
Intergovernmental	21,999	-	-	2,252,000	137,034,719
Licenses, fees and permits	312,750	-	-	4,322,496	22,089,582
Sales and charges for services	-	-	-	507,332	20,379,119
Interest and investment income	(25,585)	13,500	-	280,803	2,791,962
Settlement income	-	-	-	60,479	72,257,076
Other	-	6,797,849	-	1,384,971	19,724,405
<b>Total revenues</b>	<u>309,164</u>	<u>6,811,349</u>	<u>-</u>	<u>9,806,252</u>	<u>346,612,563</u>
<b>Expenditures</b>					
<i>Current:</i>					
General government	-	2,750	-	-	44,686,955
Health services	-	-	-	1,326,939	1,326,939
Social services	-	-	-	-	127,366,893
Education - K-12 administrative	-	-	-	-	10,368,617
Law, justice and public safety	-	-	-	11,256,440	32,228,665
Regulation of business	-	-	-	407,602	18,516,843
Recreation and resource development	1,541,192	-	-	-	21,581,797
<i>Debt service:</i>					
Interest	-	-	-	-	325
Debt issuance costs	55,695	-	-	-	55,695
<b>Total expenditures</b>	<u>1,596,887</u>	<u>2,750</u>	<u>-</u>	<u>12,990,981</u>	<u>256,132,729</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,287,723)</u>	<u>6,808,599</u>	<u>-</u>	<u>(3,184,729)</u>	<u>90,479,834</u>
<b>Other Financing Sources (Uses)</b>					
Bonds issued	1,280,000	-	-	-	1,280,000
Premium on bonds issued	276,536	-	-	-	276,536
Transfers in	-	-	-	1,215,593	78,001,844
Transfers out	(261,779)	(6,838,514)	-	(221,186)	(135,863,554)
<b>Total other financing sources (uses)</b>	<u>1,294,757</u>	<u>(6,838,514)</u>	<u>-</u>	<u>994,407</u>	<u>(56,305,174)</u>
Net change in fund balances	7,034	(29,915)	-	(2,190,322)	34,174,660
Fund balances, July 1	8,660,510	485,218	-	12,915,753	299,505,932
<b>Fund balances, June 30</b>	<u>\$ 8,667,544</u>	<u>\$ 455,303</u>	<u>\$ -</u>	<u>\$ 10,725,431</u>	<u>\$ 333,680,592</u>

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# Combining Balance Sheet

## Other Nonmajor Governmental Funds

June 30, 2021

	Debt Service Funds			Capital Projects Funds	
	Consolidated Bond Interest and Redemption	Highway Revenue Bonds	Total	Parks Capital Project Construction	CIP Motor Vehicle
<b>Assets</b>					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ 153,873,327	\$ 20,095,009	\$ 173,968,336	\$ -	\$ 4,247,819
Cash in custody of other officials	-	-	-	-	-
Investments	-	-	-	-	-
<i>Receivables:</i>					
Accounts receivable	-	-	-	-	-
Intergovernmental receivables	824,028	-	824,028	-	-
Accrued interest and dividends	-	-	-	-	-
Due from other funds	8,289,171	6,215,067	14,504,238	94,334	83,388
Due from component units	-	-	-	-	-
Restricted cash	-	-	-	-	2,160,256
<b>Total assets</b>	<u>\$ 162,986,526</u>	<u>\$ 26,310,076</u>	<u>\$ 189,296,602</u>	<u>\$ 94,334</u>	<u>\$ 6,491,463</u>
<b>Liabilities</b>					
<i>Accounts payable and accruals:</i>					
Accounts payable	\$ 10,688	\$ -	\$ 10,688	\$ 94,334	\$ 2,187
Contracts/retentions payable	-	-	-	-	712,199
Due to other funds	-	-	-	-	3,610,824
Due to component units	-	-	-	-	-
Other liabilities	-	-	-	-	-
<b>Total liabilities</b>	<u>10,688</u>	<u>-</u>	<u>10,688</u>	<u>94,334</u>	<u>4,325,210</u>
<b>Deferred Inflows of Resources</b>					
<i>Unavailable revenue:</i>					
Interest	148,489	-	148,489	-	5,997
Other	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>148,489</u>	<u>-</u>	<u>148,489</u>	<u>-</u>	<u>5,997</u>
<b>Fund Balances</b>					
Nonspendable	-	-	-	-	-
Restricted	-	26,310,076	26,310,076	-	2,160,256
Committed	162,827,349	-	162,827,349	-	-
<b>Total fund balances</b>	<u>162,827,349</u>	<u>26,310,076</u>	<u>189,137,425</u>	<u>-</u>	<u>2,160,256</u>
<b>Total liabilities and deferred inflows of resources and fund balances</b>	<u>\$ 162,986,526</u>	<u>\$ 26,310,076</u>	<u>\$ 189,296,602</u>	<u>\$ 94,334</u>	<u>\$ 6,491,463</u>

(continued)

Capital Projects Funds						
CIP University System	CIP General State Government	CIP Prison System	CIP Military	CIP Wildlife	CIP Bond Proceeds	Total
\$ 3,741,741	\$ 2,545,191	\$ 660,382	\$ 768,757	\$ 47,316	\$ 10,143,534	\$ 22,154,740
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	850,957	-	-	850,957
-	-	-	-	-	-	-
6,973,910	2,084,120	2,789,654	463,794	6,280	328,239	12,823,719
-	-	-	-	-	-	-
-	65,678	2,038	8,290	-	66,689,577	68,925,839
<u>\$ 10,715,651</u>	<u>\$ 4,694,989</u>	<u>\$ 3,452,074</u>	<u>\$ 2,091,798</u>	<u>\$ 53,596</u>	<u>\$ 77,161,350</u>	<u>\$ 104,755,255</u>
\$ 2,876,330	\$ 7,837	\$ -	\$ 1,780	\$ -	\$ -	\$ 2,982,468
3,630,678	1,605,746	3,183,240	1,851,749	53,591	-	11,037,203
925,273	1,256,921	224,631	224,811	5	10,391,014	16,633,479
502,700	-	-	-	-	-	502,700
-	-	-	-	-	-	-
<u>7,934,981</u>	<u>2,870,504</u>	<u>3,407,871</u>	<u>2,078,340</u>	<u>53,596</u>	<u>10,391,014</u>	<u>31,155,850</u>
1,972	-	-	-	-	80,759	88,728
-	-	-	-	-	-	-
<u>1,972</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,759</u>	<u>88,728</u>
-	-	-	-	-	-	-
1,632,555	65,678	2,038	8,290	-	66,689,577	70,558,394
1,146,143	1,758,807	42,165	5,168	-	-	2,952,283
<u>2,778,698</u>	<u>1,824,485</u>	<u>44,203</u>	<u>13,458</u>	<u>-</u>	<u>66,689,577</u>	<u>73,510,677</u>
<u>\$ 10,715,651</u>	<u>\$ 4,694,989</u>	<u>\$ 3,452,074</u>	<u>\$ 2,091,798</u>	<u>\$ 53,596</u>	<u>\$ 77,161,350</u>	<u>\$ 104,755,255</u>

# Combining Balance Sheet

## Other Nonmajor Governmental Funds

June 30, 2021

	Permanent Funds		
	Permanent School Fund	Henry Wood Christmas	Total
<b>Assets</b>			
<i>Cash and pooled investments:</i>			
Cash with treasurer	\$ 17,383,204	\$ 51,621	\$ 17,434,825
Cash in custody of other officials	3,270,522	-	3,270,522
Investments	447,105,244	-	447,105,244
<i>Receivables:</i>			
Accounts receivable	660	-	660
Intergovernmental receivables	2,185,952	-	2,185,952
Accrued interest and dividends	450,819	-	450,819
Due from other funds	187,763	1,027	188,790
Due from component units	23,180,454	-	23,180,454
Restricted cash	-	-	-
<b>Total assets</b>	<b>\$ 493,764,618</b>	<b>\$ 52,648</b>	<b>\$ 493,817,266</b>
<b>Liabilities</b>			
<i>Accounts payable and accruals:</i>			
Accounts payable	\$ -	\$ -	\$ -
Contracts/retentions payable	-	-	-
Due to other funds	93,944,988	398	93,945,386
Due to component units	-	-	-
Other liabilities	2,745,545	-	2,745,545
<b>Total liabilities</b>	<b>96,690,533</b>	<b>398</b>	<b>96,690,931</b>
<b>Deferred Inflows of Resources</b>			
<i>Unavailable revenue:</i>			
Interest	19,306	364	19,670
Other	660	-	660
<b>Total deferred inflows of resources</b>	<b>19,966</b>	<b>364</b>	<b>20,330</b>
<b>Fund Balances</b>			
Nonspendable	397,005,149	30,000	397,035,149
Restricted	48,970	21,886	70,856
Committed	-	-	-
<b>Total fund balances</b>	<b>397,054,119</b>	<b>51,886</b>	<b>397,106,005</b>
<b>Total liabilities and deferred inflows of resources and fund balances</b>	<b>\$ 493,764,618</b>	<b>\$ 52,648</b>	<b>\$ 493,817,266</b>

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# Combining Statement of Revenues, Expenditures and Changes in Fund Balances

## Other Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2021

	Debt Service Funds			Capital Projects Funds	
	Consolidated Bond Interest and Redemption	Highway Revenue Bonds	Total	Parks Capital Project Construction	CIP Motor Vehicle
<b>Revenues</b>					
Property and transfer taxes	\$ 192,902,313	\$ -	\$ 192,902,313	\$ -	\$ -
Motor and special fuel taxes	-	75,418,365	75,418,365	-	-
Intergovernmental	514,721	-	514,721	-	-
Sales and charges for services	250,055	-	250,055	-	-
Interest and investment income	(1,071,882)	-	(1,071,882)	-	27,605
Land sales	-	-	-	-	-
Other	-	-	-	-	-
<b>Total revenues</b>	<b>192,595,207</b>	<b>75,418,365</b>	<b>268,013,572</b>	<b>-</b>	<b>27,605</b>
<b>Expenditures</b>					
<i>Current:</i>					
General government	412,826	-	412,826	-	-
Education - higher education	-	-	-	-	-
Capital outlay	-	-	-	125,938	4,721,400
<i>Debt service:</i>					
Principal	152,739,000	42,875,000	195,614,000	-	-
Interest	57,493,014	33,887,891	91,380,905	-	-
Debt issuance costs	-	-	-	-	-
<b>Total expenditures</b>	<b>210,644,840</b>	<b>76,762,891</b>	<b>287,407,731</b>	<b>125,938</b>	<b>4,721,400</b>
Deficiency of revenues under expenditures	(18,049,633)	(1,344,526)	(19,394,159)	(125,938)	(4,693,795)
<b>Other Financing Sources (Uses)</b>					
Bonds issued	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Payment to refunded bond agent	-	-	-	-	-
Transfers in	31,553,384	-	31,553,384	125,938	1,833,550
Transfers out	(9,000,000)	-	(9,000,000)	-	(3,588,652)
<b>Total other financing sources (uses)</b>	<b>22,553,384</b>	<b>-</b>	<b>22,553,384</b>	<b>125,938</b>	<b>(1,755,102)</b>
Net change in fund balances	<b>4,503,751</b>	<b>(1,344,526)</b>	<b>3,159,225</b>	<b>-</b>	<b>(6,448,897)</b>
Fund balances, July 1	158,323,598	27,654,602	185,978,200	-	8,609,153
Prior period adjustment	-	-	-	-	-
Fund balances, July 1 (as restated)	158,323,598	27,654,602	185,978,200	-	8,609,153
Fund balances, June 30	<b>\$ 162,827,349</b>	<b>\$ 26,310,076</b>	<b>\$ 189,137,425</b>	<b>\$ -</b>	<b>\$ 2,160,256</b>

(continued)

Capital Projects Funds						
CIP University System	CIP General State Government	CIP Prison System	CIP Military	CIP Wildlife	CIP Bond Proceeds	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-	-	-
-	-	-	852,416	-	-	852,416
-	-	-	-	-	-	-
(536,786)	(176)	-	-	-	(224,360)	(733,717)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>(536,786)</u>	<u>(176)</u>	<u>-</u>	<u>852,416</u>	<u>-</u>	<u>(224,360)</u>	<u>118,699</u>
-	-	-	-	-	-	-
69,559,670	-	-	-	-	-	69,559,670
-	15,691,084	19,334,745	3,744,049	426,595	-	44,043,811
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	1,371,002	1,371,002
<u>69,559,670</u>	<u>15,691,084</u>	<u>19,334,745</u>	<u>3,744,049</u>	<u>426,595</u>	<u>1,371,002</u>	<u>114,974,483</u>
<u>(70,096,456)</u>	<u>(15,691,260)</u>	<u>(19,334,745)</u>	<u>(2,891,633)</u>	<u>(426,595)</u>	<u>(1,595,362)</u>	<u>(114,855,784)</u>
-	-	-	-	-	87,775,000	87,775,000
-	-	-	-	-	13,375,000	13,375,000
-	-	-	-	-	14,911,896	14,911,896
-	-	-	-	-	(16,125,000)	(16,125,000)
60,779,438	2,192,704	3,961,364	2,231,933	426,595	1,482,269	73,033,791
<u>(29,882,085)</u>	<u>(27,124,601)</u>	<u>(17,776,985)</u>	<u>(1,064,537)</u>	<u>-</u>	<u>(66,165,170)</u>	<u>(145,602,030)</u>
<u>30,897,353</u>	<u>(24,931,897)</u>	<u>(13,815,621)</u>	<u>1,167,396</u>	<u>426,595</u>	<u>35,253,995</u>	<u>27,368,657</u>
<u>(39,199,103)</u>	<u>(40,623,157)</u>	<u>(33,150,366)</u>	<u>(1,724,237)</u>	<u>-</u>	<u>33,658,633</u>	<u>(87,487,127)</u>
-	42,447,642	33,194,569	1,737,695	-	33,030,944	119,020,003
<u>41,977,801</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,977,801</u>
<u>41,977,801</u>	<u>42,447,642</u>	<u>33,194,569</u>	<u>1,737,695</u>	<u>-</u>	<u>33,030,944</u>	<u>160,997,804</u>
<u>\$ 2,778,698</u>	<u>\$ 1,824,485</u>	<u>\$ 44,203</u>	<u>\$ 13,458</u>	<u>\$ -</u>	<u>\$ 66,689,577</u>	<u>\$ 73,510,677</u>

# Combining Statement of Revenues, Expenditures and Changes in Fund Balances

## Other Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2021

	Permanent Funds		
	Permanent School Fund	Henry Wood Christmas	Total
<b>Revenues</b>			
Property and transfer taxes	\$ -	\$ -	\$ -
Motor and special fuel taxes	-	-	-
Intergovernmental	-	-	-
Sales and charges for services	-	-	-
Interest and investment income	73,888,860	403	73,889,263
Land sales	6,514,366	-	6,514,366
Other	7,140,499	-	7,140,499
<b>Total revenues</b>	<u>87,543,725</u>	<u>403</u>	<u>87,544,128</u>
<b>Expenditures</b>			
<i>Current:</i>			
General government	-	-	-
Education - higher education	-	-	-
Capital outlay	-	-	-
<i>Debt service:</i>			
Principal	-	-	-
Interest	-	-	-
Debt issuance costs	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>87,543,725</u>	<u>403</u>	<u>87,544,128</u>
<b>Other Financing Sources (Uses)</b>			
Bonds issued	-	-	-
Refunding bonds issued	-	-	-
Premium on bonds issued	-	-	-
Payment to refunded bond agent	-	-	-
Transfers in	-	-	-
Transfers out	(74,460,438)	(398)	(74,460,836)
<b>Total other financing sources (uses)</b>	<u>(74,460,438)</u>	<u>(398)</u>	<u>(74,460,836)</u>
Net change in fund balances	<u>13,083,287</u>	<u>5</u>	<u>13,083,292</u>
Fund balances, July 1	383,970,832	51,881	384,022,713
Prior period adjustment	-	-	-
Fund balances, July 1 (as restated)	<u>383,970,832</u>	<u>51,881</u>	<u>384,022,713</u>
Fund balances, June 30	<u>\$ 397,054,119</u>	<u>\$ 51,886</u>	<u>\$ 397,106,005</u>

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## Schedule of Total Uses - Budget and Actual , Non-GAAP Budgetary Basis

### All General Fund Budgets

For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance
<b>Elected officials</b>			
Attorney General Administrative Account	\$ 34,026,516	\$ 33,072,249	\$ 954,267
Attorney General Council For Prosecuting Attorneys	447,841	179,272	268,569
Attorney General Crime Prevention	602,944	578,881	24,063
Attorney General Extradition Coordinator	1,212,292	961,604	250,688
Attorney General Forfeiture	50,334	21,476	28,858
Attorney General Medicaid Fraud	3,911,656	2,454,486	1,457,170
Attorney General Private Investigator Licensing Bd	2,603,670	1,425,438	1,178,232
Attorney General Special Litigation Fund	3,459,798	2,855,995	603,803
Attorney General State Settlements	13,460,651	11,377,702	2,082,949
Attorney General Victims of Domestic Violence	489,446	384,147	105,299
Attorney General Violence Against Women Grants	5,973,157	4,171,732	1,801,425
Attorney General Workers' Compensation Fraud	5,737,273	4,201,437	1,535,836
Controller's Office	5,580,095	4,950,852	629,243
Controller's Office Debt Recovery	696,933	29,510	667,423
Governor's Athletic Commission	3,707,975	1,259,431	2,448,544
Governor's Finance Office	5,900,351	5,220,675	679,676
Governor's Finance Division of Internal Audits	1,328,847	1,319,808	9,039
Governor's Finance Office Info Technology Project	65,372,861	23,378,577	41,994,284
Governor's Finance Office Special Appropriations	38,263,498	4,556,331	33,707,167
Governor's High Level Nuclear Waste	2,010,946	1,306,453	704,493
Governor's Mansion Maintenance	350,414	291,328	59,086
Governor's NV P20 Workforce Reporting	733,195	714,197	18,998
Governor's Office	3,226,218	3,015,633	210,585
Governor's Office CARES Act 2020	3,696,960,321	761,403,289	2,935,557,032
Governor's Office for New Americans	357,702	219,869	137,833
Governor's Office of Energy	1,531,880	1,326,020	205,860
Governor's Office of Indigent Defense	1,435,551	1,215,785	219,766
Governor's Office of Workforce Innovation	14,274,085	2,837,952	11,436,133
Governor's Public Defender	2,941,134	2,647,709	293,425
Governor's Renewable Energy Account	18,518,357	3,136,326	15,382,031
Governor's Renewable Energy Program	1,969,352	15,521	1,953,831
Governor's Science Innovation and Technology	4,375,357	3,041,553	1,333,804
Governor's Sentencing Commission	438,988	376,867	62,121
Governor's Washington Office	259,434	252,000	7,434
Governor's WICHE Administration	335,313	334,600	713
Governor's WICHE Loan and Stipend	1,253,138	1,136,795	116,343
Lieutenant Governor	727,621	717,732	9,889
Secretary of State	22,283,780	19,255,227	3,028,553
Secretary of State Advisory Committee Gift	67	-	67
Secretary of State HAVA Elections Account	10,475,670	3,979,985	6,495,685
Secretary of State Notary Training	464,959	92,311	372,648
Secretary of State Securities Forfeiture Account	101,275	696	100,579
State Treasurer	3,073,454	2,782,989	290,465
State Treasurer's College Savings Endowment	16,139,850	4,004,709	12,135,141
State Treasurer's College Savings Private Entity	83,419	-	83,419
State Treasurer's Nevada College Savings Trust	3,851,860	3,437,779	414,081
State Treasurer's Nevada Promise Scholarship	11,182,824	3,854,458	7,328,366
State Treasurer's Silicosis and Disabled Pensions	57,937	18,656	39,281
State Treasurer's Unclaimed Property	2,754,385	2,637,346	117,039
	<u>4,014,994,624</u>	<u>926,453,388</u>	<u>3,088,541,236</u>
<b>Legislative and judicial</b>			
<b>Judicial Branch</b>			
Administrative Office of the Courts	6,098,864	4,002,833	2,096,031
Court of Appeals	3,233,479	2,925,725	307,754
Judicial Discipline	997,691	928,867	68,824
Judicial Education	1,623,509	447,154	1,176,355
Judicial Programs and Services Division	2,154,498	1,441,610	712,888
Judicial Retirement System State Share	1,577,153	1,443,997	133,156
Judicial Support, Governance and Special Events	953,123	300,309	652,814
Law Library	2,034,483	1,839,497	194,986
Law Library Gift Fund	23,297	-	23,297
Senior Justice and Senior Judge Program	1,976,870	1,096,366	880,504
Specialty Courts	11,323,675	7,612,977	3,710,698
State Judicial Elected Officials	24,072,461	22,805,848	1,266,613

(continued)

	Final Budget	Actual	Variance
Supreme Court	18,969,939	11,561,551	7,408,388
Uniform System of Judicial Records	2,801,249	1,021,620	1,779,629
<b>Legislative Branch</b>			
Disaster Relief	14,254,024	7,751,820	6,502,204
Foreclosure Mediation	1,024,097	540,893	483,204
Interim Finance Committee	86,678,478	47,216,372	39,462,106
So Nevada Community Project Fund	6,830	-	6,830
	179,803,720	112,937,439	66,866,281
<b>Finance and administration</b>			
<b>Department of Administration</b>			
Building Official Admin	4,788,736	789,081	3,999,655
Commission for Women	27,887	620	27,267
Construction Education Account	571,792	295,321	276,471
Director's Office	1,028,898	770,538	258,360
Emergency Fund	354,763	-	354,763
General Fund Salary Adjustment	30,741,594	10,449,207	20,292,387
Graffiti Reward Fund	23,265	21,204	2,061
Grant Match Program	1,000,000	74,951	925,049
Grants Office	811,273	724,417	86,856
Hearings and Appeals	5,710,304	5,256,429	453,875
Judicial College/Juvenile and Family Justice	333,250	333,250	-
Merit Award Board	67	67	-
Nevada State Library	8,022,516	4,752,350	3,270,166
Nevada State Library Cooperative	477,571	314,275	163,296
NSLA - IPS Equipment/Software	14,443	87	14,356
Public Works Division	390,298	379,425	10,873
Public Works Division Administration	1,235,445	762,094	473,351
Public Works Inspection	8,207,137	5,817,497	2,389,640
Public Works Retention Payment	13,798	-	13,798
Roof Maintenance Reserve	600,601	-	600,601
State Claims	4,609,384	1,471,756	3,137,628
State Archives	1,769,393	1,525,516	243,877
State Unemployment Compensation	3,151,338	-	3,151,338
Statutory Contingency	19,960,074	7,690,309	12,269,765
Unbudgeted Activity	-	3,816,635	(3,816,635)
<b>Department of Taxation</b>			
Department of Taxation	42,323,452	36,180,701	6,142,751
	136,167,279	81,425,730	54,741,549
<b>Education - K to 12</b>			
<b>Department of Education</b>			
Account for Alternative Schools	5,840,262	2,990,858	2,849,404
Anti-Bullying Gift Fund	13,589	3,790	9,799
Assessments and Accountability	18,276,495	16,642,759	1,633,736
Career and Technical Education	16,018,466	10,595,592	5,422,874
CARES Act ESSER Funds	623,827,468	68,040,608	555,786,860
Computer Education and Technology	102,429	100,000	2,429
Contingency Account for Special Education	2,000,000	331,786	1,668,214
Continuing Education	9,116,675	7,038,415	2,078,260
Data Systems Management	6,751,420	2,889,137	3,862,283
Department Support Services	5,462,962	3,692,774	1,770,188
Distributive School Account	1,858,299,608	1,706,115,033	152,184,575
District Support Services	2,184,563	1,728,063	456,500
Educational Trust Fund	912,750	381,884	530,866
Educator Effectiveness	29,118,623	15,674,010	13,444,613
Educator Licensure	4,838,035	2,343,875	2,494,160
Gear Up	6,466,479	2,477,008	3,989,471
Gear Up Scholarship Trust	6,987,307	6,984,309	2,998
Incentives for Licensed Educational Personnel	1,545,682	1,012,554	533,128
Individuals with Disabilities (IDEA)	117,062,495	88,056,787	29,005,708
Instruction in Financial Liter	1,017,847	819,007	198,840
Literacy Programs	566,863	386,476	180,387
New NV Education Funding Plan	8,200,604	7,831,582	369,022
Office of Early Learning & Development	29,196,263	25,372,998	3,823,265

## Schedule of Total Uses - Budget and Actual , Non-GAAP Budgetary Basis

### All General Fund Budgets

For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance
Office of the Superintendent	18,072,375	8,798,400	9,273,975
Other State Education Programs	47,053,890	40,463,570	6,590,320
Parent Involve & Family Engage	167,241	137,470	29,771
Professional Development Program	8,832,163	7,290,786	1,541,377
Public Charter School Loan Program	836,360	429,000	407,360
Safe and Respect Learning	10,086,621	2,626,742	7,459,879
School Remediation	209,272,381	198,763,388	10,508,993
School Safety	30,191,192	24,564,656	5,626,536
Standards and Instructional Support	1,834,523	1,341,456	493,067
State Supplemental School Support	190,585,000	82,012,486	108,572,514
Student and School Support	198,260,640	155,856,545	42,404,095
Student Indemnification Account	382,585	-	382,585
Teach NV Scholarship Program	10,609,426	1,450,037	9,159,389
Teacher's School Supplies Reimbursement	640,614	134,676	505,938
<b>Commission on Postsecondary Education</b>	581,020	532,123	48,897
<b>State Public Charter School Authority</b>	68,699,647	24,516,474	44,183,173
	<b>3,549,912,563</b>	<b>2,520,427,114</b>	<b>1,029,485,449</b>

#### Education - higher education

<b>Nevada System of Higher Education</b>			
Agricultural Experiment Station	6,563,443	6,563,442	1
Anatomical Gift Account	385,932	40,000	345,932
Business Center North	1,764,521	1,764,521	-
Business Center South	1,602,546	1,602,546	-
Capacity Building Enhancement	12,507,809	12,507,808	1
College of Southern Nevada	134,807,538	130,787,427	4,020,111
Collegiate License Plate Account	489,606	389,255	100,351
Cooperative Extension Service	5,096,537	5,095,040	1,497
Desert Research Institute	6,222,263	6,222,263	-
Education for Dependent Children	41,606	15,676	25,930
Great Basin College	16,277,381	16,277,379	2
Intercollegiate Athletics - UNLV	6,349,458	6,349,458	-
Intercollegiate Athletics - UNR	4,429,060	4,429,060	-
Laboratory and Research	1,461,739	1,461,739	-
Nevada State College at Henderson	29,174,644	29,158,264	16,380
Prison Education Program	425,997	425,997	-
Silver State Opportunity Grant	4,199,260	4,199,260	-
Special Projects	5,317,035	1,577,038	3,739,997
System Computing Center	15,096,669	15,096,669	-
Truckee Meadows Community College	43,584,927	42,065,023	1,519,904
University of Nevada, Las Vegas	291,526,076	291,526,074	2
University of Nevada, Reno	228,073,254	222,461,500	5,611,754
University Press	366,048	366,048	-
University System Administration	4,283,913	4,283,913	-
UNLV Dental School	17,371,439	17,371,439	-
UNLV Law School	14,517,101	14,517,099	2
UNLV School of Medicine	38,346,771	38,188,896	157,875
UNLV Statewide Programs	3,097,629	3,097,629	-
UNR School of Medicine	37,791,387	37,791,387	-
UNR Statewide Programs	6,879,963	6,879,963	-
Western Nevada College	17,294,550	16,433,185	861,365
	<b>955,346,102</b>	<b>938,944,998</b>	<b>16,401,104</b>

#### Human services

<b>Director's Office</b>			
Administration	2,191,539	2,017,401	174,138
Consumer Health Assistance	1,791,554	1,552,523	239,031
Developmental Disabilities	824,577	640,604	183,973
Family Planning	3,000,610	2,840,290	160,320
Grants Management Unit	34,253,386	24,456,476	9,796,910
Grief Support Trust Account	124,002	62,224	61,778
IDEA Part C Compliance	4,123,803	3,584,951	538,852
Pharmacy Report Failure Penalties	1,355,101	241,252	1,113,849
UPL Holding Account	13,758,157	9,243,275	4,514,882
Victims of Human Trafficking	176,348	8,293	168,055
<b>Aging and Disability Services Division</b>			

(continued)

	Final Budget	Actual	Variance
Aging Federal Programs and Administration	10,954,499	9,649,734	1,304,765
Applied Behavior Analysis	485,474	29,389	456,085
Autism Treatment Program	8,197,027	7,246,514	950,513
Commission for Persons who are Deaf	25,000	17,696	7,304
Communication Access Services	4,135,224	1,928,469	2,206,755
Desert Regional Center	174,981,634	159,084,321	15,897,313
Early Intervention Services	37,777,693	34,339,874	3,437,819
Family Preservation Program	3,067,273	2,885,018	182,255
Home and Community Based Service	60,456,526	49,058,957	11,397,569
Rural Regional Center	23,325,718	21,068,319	2,257,399
Sierra Regional Center	57,882,315	54,143,626	3,738,689
<b>Division of Health Care Financing and Policy</b>			
Health Care Financing and Policy	172,112,941	130,765,171	41,347,770
Increased Quality of Nursing Care	45,168,778	40,579,925	4,588,853
Intergovernmental Transfer Program	199,051,216	114,109,382	84,941,834
Nevada Check-Up Program	60,353,923	48,079,591	12,274,332
Nevada Medicaid	5,045,253,669	4,592,130,330	453,123,339
<b>Division of Public and Behavioral Health</b>			
Alcohol Tax Program	1,641,524	1,158,941	482,583
Behavioral Health Administration	4,245,247	3,854,486	390,761
Behavioral Health Prevention & Treatment	76,598,941	46,264,656	30,334,285
Biostatistics and Epidemiology	193,702,498	117,884,419	75,818,079
Cancer Control Registry	781,451	557,821	223,630
Child Care Services	2,303,908	1,520,350	783,558
Chronic Disease	19,637,238	16,020,181	3,617,057
Communicable Diseases	35,912,479	34,882,355	1,030,124
Community Health Services	4,273,524	3,205,785	1,067,739
Emergency Medical Services	1,061,048	667,194	393,854
Environmental Health Services	2,679,953	1,647,933	1,032,020
Facility for the Mental Offender	13,823,321	13,019,015	804,306
Health Care Facility Reg	26,485,623	13,966,722	12,518,901
Health Facilities-Admin Penalty	252,966	222,844	30,122
Health Statistics and Planning	4,395,642	1,769,344	2,626,298
Immunization Program	41,713,177	15,099,115	26,614,062
Marijuana Health Registry	3,069,820	617,987	2,451,833
Maternal Child Health Services	9,101,491	7,719,783	1,381,708
No NV Adult Mental Health Services	30,889,817	23,269,598	7,620,219
Office of State Health Administration	15,672,675	10,812,854	4,859,821
Prevention/Treatment of Problem Gambling	1,283,885	1,252,693	31,192
Public Health Preparedness Program	21,897,316	16,945,470	4,951,846
Radiation Control Program	5,868,268	2,394,162	3,474,106
Rural Clinics	16,550,454	14,434,654	2,115,800
So NV Adult Mental Health Services	95,346,345	84,791,869	10,554,476
WIC Food Supplement	77,571,735	56,273,391	21,298,344
<b>Division of Welfare and Supportive Services</b>			
Assistance to Aged and Blind	10,757,527	10,692,000	65,527
Child Care Assistance and Development	202,935,188	109,842,785	93,092,403
Child Support Enforcement Program	95,238,492	27,073,099	68,165,393
Child Support Federal Reimbursement	28,351,914	22,525,438	5,826,476
Energy Assistance - Welfare	33,953,427	25,739,308	8,214,119
Temp Assistance for Needy Families	45,828,859	34,090,794	11,738,065
Welfare Administration	54,604,943	44,080,611	10,524,332
Welfare Field Services	141,758,598	129,442,474	12,316,124
<b>Division of Child and Family Services</b>			
Caliente Youth Center	10,497,876	9,903,903	593,973
Children, Youth and Family Administration	64,455,868	43,766,771	20,689,097
Childrens Trust Fund	1,518,129	603,704	914,425
Clark County Child Welfare	116,888,236	104,982,254	11,905,982
Community Juvenile Justice Programs	4,092,791	3,605,422	487,369
Farm Account - Youth Training Center	7,150	-	7,150
Nevada Youth Training Center	9,932,263	9,097,578	834,685
No NV Child and Adolescent Services	11,194,813	8,963,232	2,231,581
Normalcy for Youth Gift	1,000	-	1,000
Review of Death of Children	604,684	174,722	429,962
Rural Child Welfare	23,766,494	21,779,558	1,986,936
So NV Child and Adolescent Services	37,662,321	28,781,180	8,881,141



## Schedule of Total Uses - Budget and Actual , Non-GAAP Budgetary Basis

### All General Fund Budgets

*For the Fiscal Year Ended June 30, 2021*

	Final Budget	Actual	Variance
Transition from Foster Care	1,530,515	779,419	751,096
Summit View Youth Center	8,899,304	8,296,149	603,155
UNITY/SACWIS	8,228,207	7,290,416	937,791
Victims of Domestic Violence	3,076,938	1,941,004	1,135,934
Washoe County Integration	39,764,038	39,123,959	640,079
Youth Alternative Placement	4,370,793	4,370,793	-
Youth Parole Services	6,848,636	5,951,196	897,440
<b>Department of Employment, Training and Rehabilitation</b>			
Blind Business Enterprise Program	4,643,854	1,752,441	2,891,413
DETR Administrative Services	6,293,667	4,860,524	1,433,143
Disability Adjudication	22,796,847	16,516,519	6,280,328
Information Development and Processing	17,329,032	11,873,549	5,455,483
Nevada Equal Rights Commission	1,888,922	1,766,775	122,147
Rehabilitation Administration	1,395,775	1,100,334	295,441
Research and Analysis	2,765,135	2,117,545	647,590
Services to the Blind	2,591,833	2,284,608	307,225
Vocational Rehabilitation	20,123,300	15,735,999	4,387,301
	<b>7,718,185,702</b>	<b>6,560,923,290</b>	<b>1,157,262,412</b>
<b>Commerce and industry</b>			
<b>Office of Economic Development</b>			
GOED Nevada Knowledge Fund	3,429,101	1,958,195	1,470,906
Governor's Office of Economic Development	119,209,560	118,135,089	1,074,471
Motion Pictures	588,355	523,554	64,801
Nevada Catalyst Fund	466,068	217,460	248,608
Nevada Main Street Program	308,517	293,227	15,290
NV SBCI Program	7,150,466	873,855	6,276,611
Rural Community Development	5,473,266	2,809,131	2,664,135
Small Business and Procurement	735,931	510,455	225,476
Small Business Enterprise Loan	758,110	478,022	280,088
WINN	5,459,068	2,133,550	3,325,518
<b>Commission on Mineral Resources</b>			
Bond Reclamation	4,194,564	879,874	3,314,690
Minerals	4,913,985	2,289,320	2,624,665
<b>Department of Agriculture</b>			
Agriculture Administration	3,391,833	3,031,602	360,231
Agriculture Fines	21,151	8,951	12,200
Agriculture License Plates	55,038	7,270	47,768
Agricultural Registration/Enforcement	7,190,054	3,853,814	3,336,240
Agriculture Research and Promotion	130,950	2,903	128,047
Commercial Feed Account	160,942	13,301	147,641
Commodity Food Program	30,704,217	21,794,583	8,909,634
Consumer Equitability	4,919,107	2,863,084	2,056,023
Junior Agricultural Loan Program	3,845	-	3,845
Livestock Enforcement	365,538	365,534	4
Livestock Inspection	2,124,239	1,294,030	830,209
Nevada Beef Council	287,240	272,209	15,031
Nutrition Education Programs	254,092,435	131,165,061	122,927,374
Pest, Plant Disease and Noxious Weed	1,906,679	846,376	1,060,303
Plant Health and Quarantine Services	338,012	320,821	17,191
Predatory Animal and Rodent Control	939,248	918,053	21,195
Rangeland Resources Commission	301,252	136,765	164,487
Veterinary Medical Services	1,298,864	1,178,037	120,827
Weed Abatement and Control	111,060	-	111,060
<b>Department of Tourism and Cultural Affairs</b>			
Indian Commission	267,213	257,026	10,187
Lost City Museum	542,137	489,088	53,049
Museums and History Administration	1,188,256	492,349	695,907
Nevada Arts Council	3,152,667	1,721,790	1,430,877
Nevada Historical Society	478,172	271,819	206,353
Nevada Humanities	125,000	125,000	-
Nevada State Museum	1,730,648	1,310,340	420,308
Nevada State Museum, Las Vegas	5,299,358	5,113,056	186,302
State Railroad Museums	1,668,515	1,379,833	288,682
Stewart Indian School Living Legacy	311,415	308,093	3,322
<b>Gaming Control Board</b>			
Federal Forfeiture Treasury	4,577,423	2,612,464	1,964,959

(continued)

	Final Budget	Actual	Variance
Gaming Commission	818,505	792,000	26,505
Gaming Control Board	57,810,640	48,620,916	9,189,724
Gaming Control Federal Forfeiture	5,925,948	1,170,898	4,755,050
Gaming Control - Forfeiture Account	577,187	-	577,187
Gaming Control - Other State Forfeiture	500,440	-	500,440
<b>Department of Business and Industry</b>			
Attorney for Injured Workers	4,175,193	3,609,218	565,975
Business and Industry Administration	5,530,210	4,869,189	661,021
Common Interest Communities	5,578,735	1,894,459	3,684,276
Division of Mortgage Lending	17,598,423	2,832,526	14,765,897
DOE Weatherization	11,029,386	5,743,659	5,285,727
Employee Management Relations	1,500,791	534,339	966,452
Financial Institutions	7,948,248	3,506,929	4,441,319
Financial Institutions Audit	300,067	116,822	183,245
Financial Institutions Investigations	1,745,795	60,094	1,685,701
Housing Inspection and Comp	5,145,535	2,374,494	2,771,041
Industrial Development Bonds	1,845,394	125,880	1,719,514
Labor Relations	1,852,001	1,724,950	127,051
Low Income Housing Trust Fund	254,468,340	66,820,131	187,648,209
Nevada Transportation Authority	7,158,784	4,839,086	2,319,698
New Market Performance Guarantee	4,338,489	2,511,245	1,827,244
NVTA Administrative Fines	1,258,391	87,478	1,170,913
Office of Business and Planning	349,710	331,637	18,073
Real Estate	5,212,213	4,230,183	982,030
Special Housing Assistance	2,252,631	1,312,599	940,032
	885,290,555	471,363,716	413,926,839

#### Public safety

##### Department of Corrections

AB505 79th One-shot	5,277,504	1,180,259	4,097,245
Carlin Conservation Camp	1,672,953	1,624,148	48,805
Casa Grande Transitional Housing	6,616,022	5,846,325	769,697
Correctional Programs	10,909,779	8,926,644	1,983,135
Director's Office	33,891,994	31,256,812	2,635,182
Ely Conservation Camp	1,656,289	1,435,274	221,015
Ely State Prison	41,068,857	40,451,873	616,984
Endowment Fund Historical Preservation of NSP	63,178	-	63,178
Florence McClure Women's Correctional Center	25,106,769	24,518,792	587,977
High Desert State Prison	83,576,179	82,486,186	1,089,993
Humboldt Conservation Camp	2,087,060	1,946,617	140,443
Jean Conservation Camp	2,362,225	2,250,501	111,724
Lovelock Correctional Center	34,942,590	34,131,775	810,815
Nevada State Prison	73,709	71,768	1,941
No Nevada Correctional Center	42,454,334	40,733,885	1,720,449
No. Nevada Transitional Housing	1,769,439	1,687,759	81,680
Pioche Conservation Camp	2,444,205	2,240,214	203,991
Prison Medical Care	88,466,222	64,833,333	23,632,889
Silver Springs Conservation Camp	4,471	4,471	-
Stewart Conservation Camp	3,103,494	2,958,881	144,613
So Nevada Correctional Center	230,700	157,478	73,222
Southern Desert Correctional Center	37,364,632	36,543,346	821,286
Three Lakes Valley Conservation Camp	4,044,503	3,796,426	248,077
Tonopah Conservation Camp	1,962,530	1,848,448	114,082
Warm Springs Correctional Center	17,384,421	15,796,465	1,587,956
Wells Conservation Camp	1,723,266	1,561,344	161,922

##### Department of Public Safety

Cigarette Fire Safety Standard	164,685	76,939	87,746
Contingency Account for Haz Mat	1,214,619	363,879	850,740
Criminal History Repository	56,026,438	26,139,472	29,886,966
Dignitary Protection	1,176,869	1,135,268	41,601
Disaster Response and Recovery Account	181,263,148	58,372,759	122,890,389
Emergency Assistance Subaccount	285,368	159,806	125,562
Emergency Management Assistance Grant	18,481,444	11,675,702	6,805,742
Emergency Management Division	6,285,320	4,555,188	1,730,132
Federal Forfeiture	1,844,652	150,000	1,694,652

## Schedule of Total Uses - Budget and Actual , Non-GAAP Budgetary Basis

### All General Fund Budgets

For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance
Fire Marshal	4,820,513	3,219,158	1,601,355
Forfeitures	703,476	315,989	387,487
Fund for Reentry Programs	5,000	-	5,000
Highway Safety Plan and Administration	6,746,591	1,866,504	4,880,087
Investigations	8,383,668	7,458,043	925,625
Justice Assistance Account	6,191,601	1,745,804	4,445,797
Justice Assistance Grant	11,018,215	3,350,437	7,667,778
Justice Grant	1,092,315	611,474	480,841
K-9 Program	61,223	53,378	7,845
Motorcycle Safety Program	1,156,325	536,175	620,150
Office of Cyber Defense	487,796	382,804	104,992
Office of Homeland Security	482,313	453,647	28,666
Parole and Probation	75,459,241	71,549,437	3,909,804
Parole Board	3,228,930	3,121,993	106,937
RCCD Communications Bureau	7,943,617	7,447,986	495,631
Traffic Safety	14,186,885	6,579,237	7,607,648
Training Division	1,988,282	1,799,736	188,546
<b>Department of Motor Vehicles</b>			
Motor Vehicle Pollution Control	13,870,167	10,459,603	3,410,564
<b>Peace Officers Standards and Training</b>	3,096,405	2,175,712	920,693
	<b>877,922,431</b>	<b>634,045,154</b>	<b>243,877,277</b>
<b>Infrastructure</b>			
<b>Department of Wildlife</b>			
Conservation Education	4,084,336	3,241,362	842,974
Diversity	2,270,637	1,599,478	671,159
Fisheries Management	9,705,331	7,483,054	2,222,277
Game Management	9,064,963	7,085,480	1,979,483
Habitat	12,498,072	7,855,193	4,642,879
Law Enforcement	8,589,623	7,113,787	1,475,836
Wildlife Director's Office	9,121,823	7,373,076	1,748,747
Wildlife Fund	44,840,890	19,524,442	25,316,448
Wildlife Habitat Enhancements	3,854,320	195,498	3,658,822
Wildlife Heritage Account	12,784,319	691,643	12,092,676
Wildlife Operations	5,890,132	4,586,486	1,303,646
<b>Department of Conservation and Natural Resources</b>			
AB9/Q1 Bonds	2,733,666	1,259,124	1,474,542
Adjudication Emergency	16,000	-	16,000
Air Quality	10,086,687	7,944,211	2,142,476
Air Quality Management Account	8,512,019	2,306,384	6,205,635
Basin Account Region 1	658,429	172,423	486,006
Basin Account Region 2	1,906,805	532,383	1,374,422
Basin Account Region 3	1,943,337	460,119	1,483,218
Basin Account Region 4	549,999	124,894	425,105
Bureau of Water	8,655,861	3,593,797	5,062,064
Channel Clearance	222,825	100,000	122,825
Chemical Hazard Prevention	2,286,725	805,779	1,480,946
Comstock Historic District	194,478	189,446	5,032
Comstock Historical District Gifts	24,736	-	24,736
Conservation Districts	531,756	433,466	98,290
Cultural Resource Program	3,286,894	994,894	2,292,000
Dep Industrial Site Cleanup	3,657,558	2,067,161	1,590,397
Environmental Protection Administration	9,149,366	8,409,347	740,019
Environmental Quality Improvement	89,313	23,732	65,581
Flood Control Revenue Fund	250,000	-	250,000
Forest Fire Suppression/Emergency Response	15,592,065	13,809,359	1,782,706
Forestry	24,325,909	13,042,963	11,282,946
Forestry Conservation Camps	11,834,675	10,505,282	1,329,393
Groundwater Recharge Projects	167,948	34,264	133,684
Hazardous Waste - Beatty Site	15,087,760	-	15,087,760
Hazardous Waste Management	25,199,755	5,349,691	19,850,064
Historic Preservation and Archives	1,571,113	1,304,399	266,714
HP 2017/SB546 2018A Bond	283,912	283,900	12
HP 2019/AB541 2020A Bond	3,008,548	710,981	2,297,567
Interim Fluid Management Trust	1,419,399	-	1,419,399
Las Vegas Basin Water District	5,751,882	1,681,998	4,069,884
Maintenance of State Parks	7,526,400	1,676,965	5,849,435

(continued)

	Final Budget	Actual	Variance
Materials Management and Corrective Actions	19,891,938	8,845,746	11,046,192
Mining Regulation/Reclamation	6,483,897	3,036,228	3,447,669
Natural Resources Administration	1,692,615	1,624,573	68,042
Nevada Natural Heritage	1,580,651	1,216,602	364,049
Nevada Tahoe Regional Planning Agency	1,575	933	642
NV State Parks/Cultural Resources Endowment	510,000	-	510,000
<b>Off-highway Vehicle Commission</b>	4,674,322	714,937	3,959,385
<b>Outdoor Education and Grant Recreation Program</b>	12,350	-	12,350
<b>Outdoor Recreation</b>	295,278	157,526	137,752
Parks Federal Grant Programs	13,713,651	3,487,344	10,226,307
Public Water System Fund	2,549,185	299,020	2,250,165
Q1 2017/SB546 2017C Bond	2,143,063	1,202,498	940,565
Reclamation Surety Account	63,746,757	54,679	63,692,078
Safe Drinking Water Regulatory Program	5,546,281	4,292,793	1,253,488
Sagebrush Ecosystem Account	1,409,584	288,397	1,121,187
State Engineer Revenue	238,074	86,597	151,477
State Environmental Commission	149,725	68,654	81,071
State Lands	2,015,199	1,717,975	297,224
State Lands Revolving Account	221,394	34,350	187,044
State Parks	23,527,453	18,345,361	5,182,092
State Parks Facility and Grounds Maintenance	13,095,362	303,007	12,792,355
State Parks Interpretive and Educational Program	2,077,450	1,218,628	858,822
Storage Tank Management	304,984	-	304,984
Tahoe Bond Sale	668,978	4,400	664,578
Tahoe License Plates	2,459,442	324,862	2,134,580
Tahoe Mitigation	3,467,924	60,721	3,407,203
Tahoe Regional Planning Agency	13,926,315	1,984,405	11,941,910
USGS Co-Op	418,457	331,598	86,859
Water District Revenue Fund	30,000	-	30,000
Water Planning - Capital Improvement	16,184	853	15,331
Water Quality Planning	4,731,527	2,932,605	1,798,922
Water Resources	11,305,882	8,453,589	2,852,293
Water Resources Cooperative Project	1,330,399	675,902	654,497
Water Resources Legal Cost	192,094	-	192,094
Water Right Surveyors	53,222	499	52,723
Water Studies	277,000	-	277,000
Well Driller's Licenses	99,698	2,411	97,287
Wildland Fire Protection Program	3,484,164	1,438,392	2,045,772
	497,572,340	207,772,546	289,799,794
<b>Special purpose agencies</b>			
<b>Department of Veterans' Services</b>			
Cemetery Gifts and Donations	102,325	44,334	57,991
Department of Veterans' Services	4,964,252	4,584,407	379,845
Fallen Soldier Gift Fund	26,688	2,213	24,475
General Veterans' Services - Fees	1,973,244	956,758	1,016,486
Gift Account for Veterans' Home - So Nevada	42,845	15,113	27,732
Nevada Will Remember Vets Gift Account	525	-	525
Northern Nevada Veterans	10,386,574	8,396,604	1,989,970
Sexual Trauma Gift Account	525	-	525
Veterans' Home Account	38,636,772	26,186,392	12,450,380
Veterans' Home Gift Fund	127,489	29,528	97,961
Veterans' Memorial Gift Account	5,730	-	5,730
<b>Office of the Military</b>			
Adjutant General Special Facilities Account	57,873	-	57,873
Military	38,918,942	28,358,330	10,560,612
Military Emergency Operations Center	681,077	309,367	371,710
Military State Active Duty	3,208,413	127,554	3,080,859
National Guard Benefits	57,818	57,760	58
Patriot Relief Account	194,277	67,357	126,920
<b>Silver State Health Insurance Exchange Admin</b>	21,076,085	12,701,024	8,375,061
<b>Deferred Compensation Committee</b>	546,014	367,355	178,659
<b>Cannabis Compliance Board</b>	80,536,564	77,540,467	2,996,097
<b>Civil Air Patrol</b>	83,847	38,881	44,966
<b>Commission on Ethics</b>	921,610	763,022	158,588

## Schedule of Total Uses - Budget and Actual , Non-GAAP Budgetary Basis

### All General Fund Budgets

*For the Fiscal Year Ended June 30, 2021*

	Final Budget	Actual	Variance
<b>Public Employees' Benefits Program</b>			
Non-State Retirees' Rate Mitigation	458,176	287,089	171,087
	<u>203,007,665</u>	<u>160,833,555</u>	<u>42,174,110</u>
<b>Appropriated Transfers to Other Funds</b>			
Attorney General Special Fund	684,602	684,602	-
Enterprise Funds	100	100	-
Highway Fund	2,642,712	2,642,712	-
Legislative Fund	78,107,515	78,107,515	-
Millennium Scholarship Fund	42,000,000	42,000,000	-
State Education Fund	50,000,000	50,000,000	-
	<u>173,434,929</u>	<u>173,434,929</u>	<u>-</u>
<b>Reversions to Other Funds</b>			
Reversion to Enterprise Funds	-	1,510,675	(1,510,675)
Reversion to Internal Service Funds	-	228,765	(228,765)
Reversion to Special Revenue Funds	-	4,508,828	(4,508,828)
	<u>-</u>	<u>6,248,268</u>	<u>(6,248,268)</u>
<b>Projected reversions</b>	(64,000,000)	-	(64,000,000)
<b>Total General Fund</b>	<u>\$ 19,127,637,910</u>	<u>\$ 12,794,810,127</u>	<u>\$ 6,332,827,783</u>

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For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance
<b>State Highway</b>			
<b>Infrastructure</b>			
AB 595 Revenue Clark Co.	\$ 52,951,758	\$ 10,389,303	\$ 42,562,455
AB 595 Revenue Washoe Co.	7,796,979	169,602	7,627,377
Aviation Trust Fund	77,039	-	77,039
Bond Construction	161,600,000	67,278,256	94,321,744
NDOT - SB 5 RTC Public Road Project	29,586,677	4,299,160	25,287,517
NDOT Fuel Revenue Indexing Clark	42,080,201	4,313,704	37,766,497
System of Providing Information to the Traveling Public	772,775	143,684	629,091
Transportation Administration	945,966,730	759,424,348	186,542,382
Unbudgeted Activity	-	851,979	(851,979)
<b>Public Safety</b>			
Director's Office - Public Safety	3,945,721	3,588,977	356,744
Emergency Response Commission	3,700,736	1,011,217	2,689,519
Evidence Vault	714,413	664,796	49,617
Highway Patrol	120,086,563	98,131,914	21,954,649
One Shot Account	5,974,459	4,090,479	1,883,980
Professional Responsibility	830,808	761,338	69,470
PS Highway Safety Grants Account	3,921,293	2,247,793	1,673,500
<b>Motor vehicles</b>			
Admin Off Highway Vehicle Titling and Registration	1,639,057	1,489,057	150,000
Administrative Services	17,248,369	15,838,416	1,409,953
Assistance of Off Highway Vehicle Titling	26,825	26,825	-
Central Services	12,814,492	11,136,125	1,678,367
Compliance Enforcement	6,250,798	5,273,924	976,874
Director's Office	5,496,714	4,807,391	689,323
Field Services	73,307,964	52,116,461	21,191,503
Forfeitures	215	-	215
Hearings	1,362,353	1,167,752	194,601
License Plate Factory	5,117,377	3,209,998	1,907,379
Local Fuel Tax Indexing Fund	127,042	3,193	123,849
Management Services	1,764,924	1,205,629	559,295
Motor Carrier	5,477,496	4,628,448	849,048
Motor Vehicle Information Technology	13,432,838	10,346,839	3,085,999
Records Search	9,313,133	9,089,673	223,460
Salvage Titles Trust Account	493,465	152,929	340,536
Special Fuel Ind Reimb Clark	7,744,015	7,275,288	468,727
Special Plates Trust Account	3,879,547	462,732	3,416,815
STAR	24,922,411	1,741,430	23,180,981
Verification of Insurance	3,079,323	2,126,379	952,944
<b>Transfers to Other Funds</b>			
Appropriations to Other Funds	19,016,518	19,016,518	-
Debt Service	73,006,973	73,006,973	-
<b>Reversions to Other Funds</b>			
Projected Reversions	-	431,358	(431,358)
	(96,386,573)	-	(96,386,573)
	1,569,141,428	1,181,919,888	387,221,540
<b>Municipal Bond Bank</b>			
<b>Transfers to Other Funds</b>			
Debt Service	7,673,242	7,671,111	2,131
	7,673,242	7,671,111	2,131
<b>Employment Security</b>			
<b>Human Services</b>			
Employment Security Division Administration	1,383,695	1,072,083	311,612
Employment Security Special Fund	20,636,167	7,485,324	13,150,843
Unemployment Insurance	104,733,359	79,227,795	25,505,564
Workforce Development	89,639,763	52,399,667	37,240,096
	216,392,984	140,184,869	76,208,115

(continued)

	Final Budget	Actual	Variance
<b>Regulatory</b>			
<b>Commerce and Industry</b>			
Real Estate Education and Research	1,203,061	459,119	743,942
Real Estate Recovery Account	1,027,129	725,690	301,439
Regulatory Fund	17,975,073	12,585,158	5,389,915
Administrative Fines	203,980	203,980	-
Taxicab Authority	9,284,651	4,216,822	5,067,829
Dairy Commission	1,781,419	949,324	832,095
	<u>31,475,313</u>	<u>19,140,093</u>	<u>12,335,220</u>
<b>Higher Education Capital Construction</b>			
<b>Finance and Administration</b>			
Higher Education Capital Construction	5,000,000	5,000,000	-
Higher Education Special Construction	8,127,819	8,127,819	-
	<u>13,127,819</u>	<u>13,127,819</u>	<u>-</u>
<b>Cleaning Up Petroleum Discharges</b>			
<b>Infrastructure</b>			
Petroleum Clean-Up Trust Fund	24,794,202	17,156,614	7,637,588
	<u>24,794,202</u>	<u>17,156,614</u>	<u>7,637,588</u>
<b>Hospital Care to Indigent Persons</b>			
<b>Finance and Administration</b>			
Indigent Hospital Care	65,711,212	35,805,205	29,906,007
	<u>65,711,212</u>	<u>35,805,205</u>	<u>29,906,007</u>
<b>Tourism Promotion</b>			
<b>Commerce and Industry</b>			
Division of Tourism	22,009,290	15,256,689	6,752,601
Tourism Development	228,823	-	228,823
	<u>22,238,113</u>	<u>15,256,689</u>	<u>6,981,424</u>
<b>Offender's Store</b>			
<b>Public Safety</b>			
Inmate Welfare Account	5,489,085	3,734,966	1,754,119
Offenders' Store Fund	42,323,365	25,479,948	16,843,417
	<u>47,812,450</u>	<u>29,214,914</u>	<u>18,597,536</u>
<b>Tobacco Settlement</b>			
<b>Elected Officials</b>			
Guinn Memorial Millennium Scholarship Fund	154,317	20,000	134,317
MSA Compliance Administration	651,977	571,550	80,427
Millennium Scholarship Fund	90,178,836	46,260,392	43,918,444
Millennium Scholarship Administration	394,784	367,446	27,338
Trust Fund for Healthy Nevada	68,149,045	38,299,068	29,849,977
<b>Human Services</b>			
Senior RX and Disability RX	1,530,900	428,735	1,102,165
Tobacco Settlement Program	5,943,499	5,363,038	580,461
	<u>167,003,358</u>	<u>91,310,229</u>	<u>75,693,129</u>
<b>Attorney General Settlement</b>			
<b>Public Safety</b>			
National Settlement Administration	12,459,403	4,910,964	7,548,439
	<u>12,459,403</u>	<u>4,910,964</u>	<u>7,548,439</u>
<b>Gift</b>			
<b>Education</b>			
Education Gift Fund	13,723,564	10,368,697	3,354,867
Library and Archives Gift Fund	380,849	36,390	344,459
<b>Human Services</b>			
Aging Services Gift Account	58,551	-	58,551



For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance
Blind Gift Fund	481,862	-	481,862
CBS Washoe Gift Fund	10,874	2,032	8,842
CYC Gift Fund	1,717	-	1,717
DRC Gift Fund	5,100	331	4,769
Henry Woods Christmas Fund	2,192	-	2,192
Hospital Gift Fund	256,687	-	256,687
Indian Commission Gift Account	131,797	23,537	108,260
NV Equal Rights Commission Gift Fund	1,241	-	1,241
Nevada Children's Gift Account	618,694	20,000	598,694
Public Health Gift Fund	10,685	-	10,685
Rehabilitation Gift Fund	14,986	-	14,986
Rural Services Gift Account	13,684	-	13,684
SNAMHS Gift Fund	30,104	-	30,104
SRC Gift Fund	11,764	-	11,764
Welfare Gift Fund	9,887	-	9,887
Youth Training Center Gift Fund	13,679	-	13,679
<b>Infrastructure</b>			
Park Gift and Grants	642,430	46,709	595,721
Wildlife Trust Account	3,494,574	920,495	2,574,079
	<u>19,914,921</u>	<u>11,418,191</u>	<u>8,496,730</u>
<b>Natural Resources</b>			
<b>Infrastructure</b>			
Erosion Control Bond Q12	686,518	24,499	662,019
Grants To Water Purveyors	1,508,343	238,614	1,269,729
Protect Lake Tahoe	6,895,390	1,539,859	5,355,531
Tahoe 2017/SB546 2017B Bond	193,199	182,337	10,862
Tahoe 2017/SB546 2018B Bond	2,642,300	1,292,436	1,349,864
Tahoe 2019/AB541 2019B Bond	3,992,439	-	3,992,439
Water Grants 2017/SB546 2017B Bond	269	170	99
Water Grants 2019/AB541 2019B Bond	1,508,074	238,443	1,269,631
Water Grants 2019/AB541 2020B Bond	1,531,338	-	1,531,338
	<u>18,957,870</u>	<u>3,516,358</u>	<u>15,441,512</u>
<b>State Education</b>			
<b>Education</b>			
Education Stabilization	50,000,000	-	(50,000,000)
	<u>50,000,000</u>	<u>-</u>	<u>(50,000,000)</u>
<b>Miscellaneous</b>			
<b>Elected Officials</b>			
Consumer Advocate	5,438,087	4,009,135	1,428,952
Racketeering-Prosecution Account	125	-	125
Unfair Trade Practices	750,000	275,085	474,915
<b>Commerce and Industry</b>			
Lost City Museum Trust	200,693	62,979	137,714
LV Museum and Historical Society Trust	154,138	32,003	122,135
Museums Administrator Trust	18,501	17,859	642
Museums and History Board Trust	45,720	17,473	28,247
Nevada Historical Society Trust	2,268,199	84,480	2,183,719
Nevada State Museum Trust	960,142	253,707	706,435
Nevada Railroad Museum Trust	1,328,632	154,993	1,173,639
<b>Human Services</b>			
Low Level Radioactive Waste	1,927,330	1,338,315	589,015
<b>Finance and Administration</b>			
Victims of Crime	10,791,564	7,137,669	3,653,895
	<u>23,883,131</u>	<u>13,383,698</u>	<u>10,499,433</u>
<b>Legislative (Non-GAAP Fund)</b>			
<b>Legislative Branch</b>			
Audit Contingency Account	611,000	611,000	-
Legislative Counsel Bureau	91,445,055	65,205,351	26,239,704
Nevada Legislative Interim	810,791	659,647	151,144
	<u>92,866,846</u>	<u>66,475,998</u>	<u>26,390,848</u>
<b>Total Special Revenue</b>	<u>\$ 2,383,452,292</u>	<u>\$ 1,650,492,640</u>	<u>\$ 732,959,652</u>

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For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance	Final Budget	Actual	Variance
	<b>Municipal Bond Bank</b>			<b>Employment Security</b>		
Fund balances	\$ 6,666	\$ 6,666	\$ -	\$ 29,106,426	\$ 29,106,426	
Revenues:						
Intergovernmental	-	-	-	145,818,482	111,456,142	(34,362,340)
Sales, charges for services	-	-	-	968,276	702,789	(265,487)
Licenses, fees and permits	-	-	-	277,395	426,984	149,589
Interest	3,051,576	3,049,445	(2,131)	291,099	176,260	(114,839)
Other	4,615,000	4,615,000	-	24,548,276	21,949,387	(2,598,889)
Other financing sources:						
Transfers	-	-	-	15,383,030	14,868,172	(514,858)
<b>Total sources</b>	<b>\$ 7,673,242</b>	<b>\$ 7,671,111</b>	<b>\$ (2,131)</b>	<b>\$ 216,392,984</b>	<b>\$ 178,686,160</b>	<b>\$ (37,706,824)</b>
	<b>Regulatory</b>			<b>Higher Education Capital Construction</b>		
Fund balances	\$ 10,918,199	\$ 10,918,199	\$ -	\$ -	\$ -	\$ -
Revenues:						
Gaming taxes, fees, licenses	-	-	-	12,618,027	12,618,026	(1)
Other taxes	12,922,744	12,718,278	(204,466)	-	-	-
Intergovernmental	703,415	739,768	36,353	-	-	-
Sales, charges for services	2,420,404	1,345,642	(1,074,762)	-	-	-
Licenses, fees and permits	3,006,796	2,604,238	(402,558)	-	-	-
Interest	60,809	45,988	(14,821)	-	-	-
Other	386,298	340,819	(45,479)	-	-	-
Other financing sources:						
Transfers	1,056,648	925,240	(131,408)	-	-	-
<b>Total sources</b>	<b>\$ 31,475,313</b>	<b>\$ 29,638,172</b>	<b>\$ (1,837,141)</b>	<b>\$ 12,618,027</b>	<b>\$ 12,618,026</b>	<b>\$ (1)</b>
	<b>Cleaning Up Petroleum Discharges</b>			<b>Hospital Care to Indigent Persons</b>		
Fund balances	\$ 9,635,055	\$ 9,635,055	\$ -	\$ 25,925,928	\$ 25,925,928	\$ -
Revenues:						
Other taxes	14,468,350	14,468,350	-	16,554,811	16,554,810	(1)
Intergovernmental	-	-	-	23,049,415	23,049,415	-
Licenses, fees and permits	423,100	423,100	-	-	-	-
Interest	193,558	55,970	(137,588)	181,058	115,866	(65,192)
Other	74,139	74,138	(1)	-	-	-
Other financing sources:						
<b>Total sources</b>	<b>\$ 24,794,202</b>	<b>\$ 24,656,613</b>	<b>\$ (137,589)</b>	<b>\$ 65,711,212</b>	<b>\$ 65,646,019</b>	<b>\$ (65,193)</b>
	<b>Tourism Promotion</b>			<b>Offenders' Store</b>		
Fund balances	\$ 4,861,063	\$ 4,861,063	\$ -	\$ 21,953,779	\$ 21,953,779	\$ -
Revenues:						
Other taxes	12,251,489	12,263,201	11,712	-	-	-
Sales, charges for services	-	-	-	19,750,773	19,167,818	(582,955)
Licenses, fees and permits	38,058	2,582	(35,476)	-	-	-
Interest	1,204	1,089	(115)	215,305	155,122	(60,183)
Other	1,157	20,306	19,149	499,412	110,825	(388,587)
Other financing sources:						
Transfers	5,085,142	4,858,546	(226,596)	5,393,181	4,188,738	(1,204,443)
<b>Total sources</b>	<b>\$ 22,238,113</b>	<b>\$ 22,006,787</b>	<b>\$ (231,326)</b>	<b>\$ 47,812,450</b>	<b>\$ 45,576,282</b>	<b>\$ (2,236,168)</b>

(continued)

	Final Budget	Actual	Variance	Final Budget	Actual	Variance
	Tobacco Settlement			Attorney General Settlement		
Fund balances	\$ 62,827,925	\$ 62,827,925	\$ -	\$ 11,947,589	\$ 11,947,589	\$ -
Revenues:						
Interest	1,054,900	279,890	(775,010)	130,613	90,190	(40,423)
Other	43,750,447	43,760,498	10,051	-	1,270	1,270
Other financing sources:						
Transfers	59,370,086	57,660,123	(1,709,963)	381,201	338,205	(42,996)
Total sources	\$ 167,003,358	\$ 164,528,436	\$ (2,474,922)	\$ 12,459,403	\$ 12,377,254	\$ (82,149)
	Gift			Natural Resources		
Fund balances	\$ 7,662,201	\$ 7,662,201	\$ -	\$ 8,543,419	\$ 8,543,419	\$ -
Revenues:						
Licenses, fees and permits	-	-	-	248,500	312,750	64,250
Interest	119,617	30,044	(89,573)	243,555	52,818	(190,737)
Other	12,131,903	11,128,507	(1,003,396)	2,000	-	(2,000)
Intergovernmental	-	-	-	249,920	21,999	(227,921)
Other financing sources:						
Proceeds from sale of bonds	-	-	-	1,505,000	1,500,841	(4,159)
Transfers	1,200	10,197	8,997	8,165,476	1,713,386	(6,452,090)
Total sources	\$ 19,914,921	\$ 18,830,949	\$ (1,083,972)	\$ 18,957,870	\$ 12,145,213	\$ (6,812,657)
	State Education Fund			Miscellaneous		
Fund balances	\$ -	\$ -	\$ -	\$ 11,212,218	\$ 11,212,218	\$ -
Revenues:						
Other taxes	-	-	-	3,026,272	3,026,086	(186)
Intergovernmental	-	-	-	1,068,000	2,252,000	1,184,000
Sales, charges for services	-	-	-	891,179	525,492	(365,687)
Licenses, fees and permits	-	-	-	2,372,609	1,931,748	(440,861)
Interest	-	-	-	263,247	50,900	(212,347)
Other	-	-	-	2,571,289	1,636,196	(935,093)
Other financing sources:						
Transfers	50,000,000	50,000,000	-	3,227,387	1,232,636	(1,994,751)
Total sources	\$ 50,000,000	\$ 50,000,000	\$ -	\$ 24,632,201	\$ 21,867,276	\$ (2,764,925)
	Legislative (Non-GAAP Fund)			Total Nonmajor Special Revenue Funds		
Fund balances	\$ 11,880,957	\$ 11,880,957	\$ -	\$ 216,481,425	\$ 216,481,425	\$ -
Revenues:						
Gaming taxes, fees, licenses	-	-	-	12,618,027	12,618,026	(1)
Other taxes	-	-	-	59,223,666	59,030,725	(192,941)
Sales, charges for services	425,000	286,115	(138,885)	24,455,632	22,027,856	(2,427,776)
Intergovernmental	-	-	-	170,889,232	137,519,324	(33,369,908)
Licenses, fees and permits	240,000	167,000	(73,000)	6,606,458	5,868,402	(738,056)
Interest	-	-	-	5,806,541	4,103,582	(1,702,959)
Other	289,981	283,891	(6,090)	88,869,902	83,920,837	(4,949,065)
Other financing sources:						
Proceeds from sale of bonds	-	-	-	1,505,000	1,500,841	(4,159)
Transfers	80,030,908	80,007,750	(23,158)	228,094,259	215,802,993	(12,291,266)
Total sources	\$ 92,866,846	\$ 92,625,713	\$ (241,133)	\$ 814,550,142	\$ 758,874,011	\$ (55,676,131)

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# Nonmajor Enterprise Funds

**Workers' Compensation and Safety** Records assessments on insurers for compensation of injured workers and administration of regulations for employee safety (NRS 616A.425), assesses self-insurers to pay claims against insolvent self-insured employers (NRS 616B.309), accounts for compensation benefits to physically impaired employees from a subsequent injury in the course of employment (NRS 616B.554, 616B.575, 616B.584), and accounts for injury claims of employees of uninsured employers (NRS 616A.430).

**Insurance Administration and Enforcement** Accounts for activities related to the administration and enforcement of the Nevada Insurance Code and other laws and regulations enforced by the Department of Business and Industry Division of Insurance (NRS 680C.100).

**Gaming Investigative** Accounts for activities related to investigations of gaming license applicants (NRS 463.331).

**Forestry Nurseries** Accounts for the self-supporting operation of State nurseries, which propagate, maintain and distribute plants for conservation purposes (NRS 528.100).

**Prison Industry** Accounts for a self-supporting program of job training through the employment of inmates in farming and manufacturing (NRS 209.189).

**Nevada Magazine** Accounts for the operation of the publication, Nevada Magazine, which is published to promote tourism (NRS 231.290).

**Marlette Lake Water System** Accounts for the costs of operating the State-owned Marlette Lake Water System. The system serves the State Buildings and Grounds Division and portions of Carson City and Storey County (NRS 331.180).

# Combining Statement of Net Position

## Nonmajor Enterprise Funds

June 30, 2021

	Workers' Compensation and Safety	Insurance Admin and Enforcement	Gaming Investigative	Forestry Nurseries
<b>Assets</b>				
<i>Current assets:</i>				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 55,910,643	\$ 8,805,066	\$ 15,581,508	\$ 930,762
Cash in custody of other officials	250	-	223,717	100
<i>Receivables:</i>				
Accounts receivable	3,790,474	1,507,023	142,797	2,230
Intergovernmental receivables	772,383	3,561	-	1,215
Due from other funds	1,982,162	73,149	-	104,842
Due from fiduciary funds	-	-	-	-
Inventory	-	-	-	164,431
Prepaid items	375,819	8,863	26,159	652
<b>Total current assets</b>	<b>62,831,731</b>	<b>10,397,662</b>	<b>15,974,181</b>	<b>1,204,232</b>
<i>Noncurrent assets:</i>				
Other assets	-	-	-	-
<i>Capital assets:</i>				
Land	-	-	-	-
Buildings	-	-	-	-
Improvements other than buildings	-	-	-	-
Furniture and equipment	4,322,690	232,909	132,357	56,864
Less accumulated depreciation/amortization	(2,643,154)	(222,108)	(132,357)	(44,940)
<b>Total noncurrent assets</b>	<b>1,679,536</b>	<b>10,801</b>	<b>-</b>	<b>11,924</b>
<b>Total assets</b>	<b>64,511,267</b>	<b>10,408,463</b>	<b>15,974,181</b>	<b>1,216,156</b>
<b>Deferred Outflows of Resources</b>				
Deferred charge on refunding	-	-	-	-
Pension related amounts	4,081,737	1,569,311	-	75,746
OPEB related amounts	1,169,629	445,952	-	20,141
<b>Total deferred outflows of resources</b>	<b>5,251,366</b>	<b>2,015,263</b>	<b>-</b>	<b>95,887</b>
<b>Liabilities</b>				
<i>Current liabilities:</i>				
<i>Accounts payable and accruals:</i>				
Accounts payable	1,831,833	50,846	173,944	54,247
Accrued payroll and related liabilities	786,125	286,652	-	13,737
Interest payable	-	-	-	-
Intergovernmental payables	17,732	-	124	-
Due to other funds	68,442	35,835	1,480,836	21,875
Due to fiduciary funds	-	-	-	435
Unearned revenues	8,920	1,392,500	14,067,277	-
Other liabilities	-	-	-	-
<i>Short-term portion of long-term liabilities:</i>				
Compensated absences	1,106,055	378,951	-	11,831
Bonds payable	-	-	-	-
<b>Total current liabilities</b>	<b>3,819,107</b>	<b>2,144,784</b>	<b>15,722,181</b>	<b>102,125</b>
<i>Noncurrent liabilities:</i>				
Advances from other funds	-	-	-	103,350
Net pension obligation	25,750,303	10,015,985	-	485,092
Net OPEB liability	10,122,740	3,859,569	-	174,315
Compensated absences	343,516	110,352	-	1,546
Bonds payable	-	-	-	-
<b>Total noncurrent liabilities</b>	<b>36,216,559</b>	<b>13,985,906</b>	<b>-</b>	<b>764,303</b>
<b>Total liabilities</b>	<b>40,035,666</b>	<b>16,130,690</b>	<b>15,722,181</b>	<b>866,428</b>
<b>Deferred Inflows of Resources</b>				
Pension related amounts	1,572,860	611,789	-	29,630
OPEB related amounts	718,899	274,100	-	12,380
<b>Total deferred inflows of resources</b>	<b>2,291,759</b>	<b>885,889</b>	<b>-</b>	<b>42,010</b>
<b>Net Position</b>				
Net investment in capital assets	1,679,536	10,801	-	11,924
<i>Restricted for:</i>				
Workers' compensation	25,755,672	-	-	-
Regulation of business	-	-	2,000	-
Unrestricted (deficit)	-	(4,603,654)	250,000	391,681
<b>Total net position</b>	<b>\$ 27,435,208</b>	<b>\$ (4,592,853)</b>	<b>\$ 252,000</b>	<b>\$ 403,605</b>

(continued)

Prison Industry	Nevada Magazine	Marlette Lake Water System	Total
\$ 3,583,825	\$ 165,222	\$ 194,478	\$ 85,171,504
100	-	-	224,167
188,798	48,018	-	5,679,340
-	-	196,321	973,480
201,033	12,738	14,660	2,388,584
9,423	-	-	9,423
1,670,886	46,566	-	1,881,883
2,086	1,845	391	415,815
5,656,151	274,389	405,850	96,744,196
5,000	-	-	5,000
153,140	-	414,672	567,812
908,227	-	498,613	1,406,840
1,982,000	-	3,656,507	5,638,507
1,544,098	-	9,649,503	15,938,421
(3,979,794)	-	(4,375,274)	(11,397,627)
612,671	-	9,844,021	12,158,953
6,268,822	274,389	10,249,871	108,903,149
-	-	134,911	134,911
404,499	120,963	60,869	6,313,125
96,055	29,002	17,336	1,778,115
500,554	149,965	213,116	8,226,151
144,816	17,188	4,596	2,277,470
69,433	16,501	12,755	1,185,203
-	-	57,612	57,612
115	-	-	17,971
32,530	12,794	256	1,652,568
38,745	-	-	39,180
122,851	82,874	-	15,674,422
9,400	-	2,050	11,450
133,354	27,486	28,462	1,686,139
-	-	427,943	427,943
551,244	156,843	533,674	23,029,958
-	-	-	103,350
2,671,266	876,054	379,532	40,178,232
831,325	251,000	150,038	15,388,987
100,098	3,928	15,165	574,605
-	-	6,672,525	6,672,525
3,602,689	1,130,982	7,217,260	62,917,699
4,153,933	1,287,825	7,750,934	85,947,657
163,165	53,511	23,182	2,454,137
59,039	17,825	10,656	1,092,899
222,204	71,336	33,838	3,547,036
607,671	-	2,743,553	5,053,485
-	-	-	25,755,672
-	-	-	2,000
1,785,568	(934,807)	(65,338)	(3,176,550)
\$ 2,393,239	\$ (934,807)	\$ 2,678,215	\$ 27,634,607



# Combining Statement of Revenues, Expenses and Changes in Fund Net Position

## Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2021

	Workers' Compensation and Safety	Insurance Admin and Enforcement	Gaming Investigative	Forestry Nurseries
<b>Operating Revenues</b>				
Sales	\$ -	\$ -	\$ -	\$ 424,773
Assessments	-	377,477	-	-
Charges for services	28	-	11,923,556	-
Rental income	-	-	-	-
Licenses, fees and permits	29,247,729	12,200,222	-	-
Fines	3,088,352	267,500	-	-
Other	5,931,536	-	-	67,024
<b>Total operating revenues</b>	<b>38,267,645</b>	<b>12,845,199</b>	<b>11,923,556</b>	<b>491,797</b>
<b>Operating Expenses</b>				
Salaries and benefits	18,269,409	6,709,276	10,744,465	480,345
Operating	5,662,594	2,333,726	202,568	163,976
Claims and benefits expense	8,054,591	-	-	-
Materials or supplies used	-	-	-	92,335
Depreciation	362,034	7,523	-	695
<b>Total operating expenses</b>	<b>32,348,628</b>	<b>9,050,525</b>	<b>10,947,033</b>	<b>737,351</b>
Operating income (loss)	5,919,017	3,794,674	976,523	(245,554)
<b>Nonoperating Revenues (Expenses)</b>				
Interest and investment income	(158,381)	12,669	-	-
Interest expense	-	-	-	-
Bond issuance costs	-	-	-	-
Federal grant revenue	2,991,386	67,161	-	-
<b>Total nonoperating revenues (expenses)</b>	<b>2,833,005</b>	<b>79,830</b>	<b>-</b>	<b>-</b>
Income (loss) before transfers	8,752,022	3,874,504	976,523	(245,554)
<b>Transfers</b>				
Transfers in	123,743	131,222	-	87,082
Transfers out	(11,524,113)	(2,044,988)	(976,523)	-
Change in net position	(2,648,348)	1,960,738	-	(158,472)
Net position, July 1	30,083,556	(6,553,591)	252,000	562,077
Net position, June 30	\$ 27,435,208	\$ (4,592,853)	\$ 252,000	\$ 403,605

(continued)

<u>Prison Industry</u>	<u>Nevada Magazine</u>	<u>Marlette Lake Water System</u>	<u>Total</u>
\$ 4,136,608	\$ 620,483	\$ 1,046,463	\$ 6,228,327
-	-	-	377,477
570,737	-	-	12,494,321
187,440	-	-	187,440
-	-	-	41,447,951
-	-	-	3,355,852
1,912,128	17,156	145,188	8,073,032
<u>6,806,913</u>	<u>637,639</u>	<u>1,191,651</u>	<u>72,164,400</u>
1,559,888	275,630	290,266	38,329,279
3,005,524	113,745	258,998	11,741,131
-	-	-	8,054,591
2,432,301	96,524	-	2,621,160
125,423	-	361,132	856,807
<u>7,123,136</u>	<u>485,899</u>	<u>910,396</u>	<u>61,602,968</u>
<u>(316,223)</u>	<u>151,740</u>	<u>281,255</u>	<u>10,561,432</u>
(16,443)	-	-	(162,155)
-	-	(264,057)	(264,057)
-	-	(62,988)	(62,988)
-	-	-	3,058,547
<u>(16,443)</u>	<u>-</u>	<u>(327,045)</u>	<u>2,569,347</u>
<u>(332,666)</u>	<u>151,740</u>	<u>(45,790)</u>	<u>13,130,779</u>
217,927	86,158	14,783	660,915
<u>(702,017)</u>	<u>-</u>	<u>-</u>	<u>(15,247,641)</u>
(816,756)	237,898	(31,007)	(1,455,947)
3,209,995	(1,172,705)	2,709,222	29,090,554
<u>\$ 2,393,239</u>	<u>\$ (934,807)</u>	<u>\$ 2,678,215</u>	<u>\$ 27,634,607</u>

## Combining Statement of Cash Flows

### Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2021

	Workers' Compensation and Safety	Insurance Admin and Enforcement	Gaming Investigative	Forestry Nurseries
<b>Cash flows from operating activities</b>				
Receipts from customers and users	\$ 37,704,731	\$ 12,669,208	\$ 14,591,063	\$ 433,478
Receipts for interfund services provided	253,188	8,544	-	135,849
Payments to suppliers, other governments and beneficiaries	(7,934,977)	(1,214,972)	(991,805)	(341,245)
Payments to employees	(17,578,249)	(6,527,235)	(10,744,465)	(408,119)
Payments for interfund services	(6,425,736)	(1,260,716)	(31,883)	(2,282)
Payments to component units	(53,844)	-	-	-
<b>Net cash provided by (used for) operating activities</b>	<b>5,965,113</b>	<b>3,674,829</b>	<b>2,822,910</b>	<b>(182,319)</b>
<b>Cash flows from noncapital financing activities</b>				
Grant receipts	2,663,727	90,299	-	-
Transfers and advances from other funds	1,617,490	243,508	-	95,853
Transfers and advances to other funds	(11,824,348)	(2,049,238)	(656,613)	(41,340)
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>(7,543,131)</b>	<b>(1,715,431)</b>	<b>(656,613)</b>	<b>54,513</b>
<b>Cash flows from capital and related financing activities</b>				
Proceeds from capital debt	-	-	-	-
Purchase of capital assets	(15,231)	-	-	(8,073)
Principal paid on capital debt	-	-	-	-
Interest paid on capital debt	-	-	-	-
Payments on refunding bonds	-	-	-	-
Bond Issuance costs	-	-	-	-
<b>Net cash provided by (used for) capital and related financing activities</b>	<b>(15,231)</b>	<b>-</b>	<b>-</b>	<b>(8,073)</b>
<b>Cash flows from investing activities</b>				
Interest, dividends and gains (losses)	49,269	18,222	-	-
<b>Net cash provided by (used for) investing activities</b>	<b>49,269</b>	<b>18,222</b>	<b>-</b>	<b>-</b>
Net cash increase (decreases) in cash	(1,543,980)	1,977,620	2,166,297	(135,879)
Cash and cash equivalents, July 1	57,454,873	6,827,446	13,638,928	1,066,741
<b>Cash and cash equivalents, June 30</b>	<b>\$ 55,910,893</b>	<b>\$ 8,805,066</b>	<b>\$ 15,805,225</b>	<b>\$ 930,862</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>				
Operating income (loss)	\$ 5,919,017	\$ 3,794,674	\$ 976,523	\$ (245,554)
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</b>				
Depreciation	362,034	7,523	-	695
Decrease (increase) in accrued interest and receivables	(318,646)	(535,947)	(95,253)	77,530
Decrease (increase) in inventory, deferred charges, other assets	(353,048)	(205)	22,598	(73,950)
Decrease (increase) in deferred outflow of resources	(205,585)	(52,631)	-	(18,305)
Increase (decrease) in accounts payable, accruals, other liabilities	(177,135)	(76,305)	(843,718)	(110,214)
Increase (decrease) in unearned revenues	8,920	368,500	2,762,760	-
Increase(decrease) in net pension liability	567,458	253,660	-	173,482
Increase(decrease) in net OPEB liability	815,539	175,992	-	11,336
Increase (decrease) in deferred inflows of resources	(653,441)	(260,432)	-	2,661
<b>Total adjustments</b>	<b>46,096</b>	<b>(119,845)</b>	<b>1,846,387</b>	<b>63,235</b>
<b>Net cash provided by (used for) operating activities</b>	<b>\$ 5,965,113</b>	<b>\$ 3,674,829</b>	<b>\$ 2,822,910</b>	<b>\$ (182,319)</b>

(continued)

Prison Industry	Nevada Magazine	Marlette Lake Water System	Total
\$ 5,959,542	\$ 551,184	\$ 1,094,854	\$ 73,004,060
1,332,012	44,312	-	1,773,905
(3,607,865)	(141,032)	(182,177)	(14,414,073)
(1,623,321)	(421,750)	(284,633)	(37,587,772)
(2,085,479)	(56,798)	(80,762)	(9,943,656)
-	-	-	(53,844)
(25,111)	(24,084)	547,282	12,778,620
-	-	-	2,754,026
199,727	84,820	9,743	2,251,141
(691,786)	(130,978)	(200,000)	(15,594,303)
(492,059)	(46,158)	(190,257)	(10,589,136)
-	-	1,762,514	1,762,514
(80,295)	-	-	(103,599)
-	-	(327,000)	(327,000)
-	-	(273,176)	(273,176)
-	-	(1,695,000)	(1,695,000)
-	-	(62,988)	(62,988)
(80,295)	-	(595,650)	(699,249)
5,320	-	-	72,811
5,320	-	-	72,811
(592,145)	(70,242)	(238,625)	1,563,046
4,176,070	235,464	433,103	83,832,625
\$ 3,583,925	\$ 165,222	\$ 194,478	\$ 85,395,671
\$ (316,223)	\$ 151,740	\$ 281,255	\$ 10,561,432
125,423	-	361,132	856,807
463,692	14,484	(96,797)	(490,937)
(143,998)	8,347	(35)	(540,291)
23,386	31,817	(3,326)	(224,644)
(88,510)	10,611	(1,593)	(1,286,864)
20,949	(56,627)	-	3,104,502
(3,073)	(76,542)	2,991	917,976
(24,257)	(69,744)	13,684	922,550
(82,500)	(38,170)	(10,029)	(1,041,911)
291,112	(175,824)	266,027	2,217,188
(25,111)	(24,084)	547,282	12,778,620

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# Internal Service Funds

**Self-Insurance** Accounts for self-insured group life, accident and health insurance plans for State and other government employees (NRS 287.0435).

**Buildings and Grounds** Accounts for the maintenance, housekeeping and security of most State buildings (NRS 331.101).

**Fleet Services** Accounts for the operations of the State vehicle fleet (NRS 336.110).

**Communications** Accounts for the operation of mail services for State agencies in Carson City, Reno, Las Vegas and Elko (NRS 378.143).

**Insurance Premiums** Allocates the costs of fidelity insurance, property insurance and workers' compensation insurance to State agencies (NRS 331.187).

**Administrative Services** Provides administrative and accounting services to various divisions of the Department of Administration (NRS 232.219).

**Personnel** Accounts for the costs of administering the State personnel system. Operations are financed by assessments charged to user agencies (NRS 284.110).

**Purchasing** Provides purchasing services to State agencies and other governmental units. The operation is financed by an administrative charge on purchase orders and warehouse orders (NRS 333.120).

**Information Services** Accounts for designing, programming, and maintaining data processing software and also operating the State's central computer facility, radio communication and telecommunication systems (NRS 242.211).

**Printing** Accounts for the operation of the State printing facilities (NRS 344.090).

June 30, 2021

	Self-Insurance	Buildings and Grounds	Fleet Services	Communications
<b>Assets</b>				
<i>Current assets:</i>				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 158,708,980	\$ 5,445,569	\$ 3,059,112	\$ 1,100,181
<i>Receivables:</i>				
Accounts receivable	8,239,150	1,393	-	4,743
Intergovernmental receivables	634,652	695	9,492	145,921
Notes/loans receivable	-	-	-	-
Due from other funds	4,664,953	6,749,326	701,345	633,816
Due from fiduciary funds	12,100,467	-	-	36
Due from component units	37,153	36,106	3,997	63
Inventory	-	-	-	-
Prepaid items	3,519	6,778	1,694	1,955
<b>Total current assets</b>	<b>184,388,874</b>	<b>12,239,867</b>	<b>3,775,640</b>	<b>1,886,715</b>
<i>Noncurrent assets:</i>				
<i>Receivables:</i>				
Notes/loans receivable	-	-	-	-
<i>Other assets</i>	-	-	-	-
<i>Capital assets:</i>				
Land	-	20,400	901,783	-
Buildings	-	2,268,068	2,476,962	-
Improvements other than buildings	-	291,216	-	422,451
Furniture and equipment	268,533	954,699	29,276,908	1,193,426
Software costs	-	-	-	-
Less accumulated depreciation/amortization	(257,895)	(2,921,188)	(23,765,862)	(1,269,008)
<b>Total noncurrent assets</b>	<b>10,638</b>	<b>613,195</b>	<b>8,889,791</b>	<b>346,869</b>
<b>Total assets</b>	<b>184,399,512</b>	<b>12,853,062</b>	<b>12,665,431</b>	<b>2,233,584</b>
<b>Deferred Outflows of Resources</b>				
Pension related amounts	560,666	1,306,324	247,448	243,469
OPEB related amounts	162,413	355,326	72,273	71,382
<b>Total deferred outflows of resources</b>	<b>723,079</b>	<b>1,661,650</b>	<b>319,721</b>	<b>314,851</b>
<b>Liabilities</b>				
<i>Current liabilities:</i>				
<i>Accounts payable and accruals:</i>				
Accounts payable	1,579,157	825,566	108,333	30,575
Accrued payroll and related liabilities	101,608	189,379	47,629	48,985
Intergovernmental payables	-	63,262	688	75,000
Bank overdraft	2,210,420	-	-	-
Due to other funds	54,100	2,047,299	191,691	26,895
Due to fiduciary funds	-	4,642	57	-
Due to component units	-	-	-	-
Unearned revenues	3,483,494	-	-	-
Other liabilities	-	-	-	-
<i>Short-term portion of long-term liabilities:</i>				
Reserve for losses	83,584,731	-	-	-
Compensated absences	183,415	273,686	73,965	69,971
Bonds payable	-	-	-	-
Obligations under capital leases	-	-	285,456	-
<b>Total current liabilities</b>	<b>91,196,925</b>	<b>3,403,834</b>	<b>707,819</b>	<b>251,426</b>
<i>Noncurrent liabilities:</i>				
Advances from other funds	-	-	1,437,500	-
Reserve for losses	-	-	-	-
Net pension obligation	3,537,451	8,167,353	1,544,509	1,522,535
Net OPEB liability	1,405,629	3,075,224	625,504	617,782
Compensated absences	67,169	91,253	45,672	28,810
Bonds payable	-	-	-	-
<b>Total noncurrent liabilities</b>	<b>5,010,249</b>	<b>11,333,830</b>	<b>3,653,185</b>	<b>2,169,127</b>
<b>Total liabilities</b>	<b>96,207,174</b>	<b>14,737,664</b>	<b>4,361,004</b>	<b>2,420,553</b>
<b>Deferred Inflows of Resources</b>				
Pension related amounts	216,072	498,874	94,339	92,997
OPEB related amounts	99,825	218,398	44,422	43,873
<b>Total deferred inflows of resources</b>	<b>315,897</b>	<b>717,272</b>	<b>138,761</b>	<b>136,870</b>
<b>Net Position</b>				
Net investment in capital assets	10,638	613,195	8,604,335	346,869
Unrestricted (deficit)	88,588,882	(1,553,419)	(118,948)	(355,857)
<b>Total net position</b>	<b>\$ 88,599,520</b>	<b>\$ (940,224)</b>	<b>\$ 8,485,387</b>	<b>\$ (8,988)</b>

(continued)

Insurance Premiums	Administrative Services	Personnel	Purchasing	Information Services	Printing	Total
\$ 20,661,717	\$ 1,289,014	\$ 4,026,760	\$ 1,798,301	\$ 17,960,538	\$ 2,336,977	\$ 216,387,149
1,540	-	950	542,920	88,783	-	8,879,479
1,157	-	-	-	73,225	-	865,142
5,000	-	-	-	-	-	5,000
644,414	18,023	5,555	7,020	4,120,554	408,505	17,953,511
-	-	-	-	3,740	-	12,104,243
476	-	-	-	1,876	-	79,671
-	-	-	-	-	228,288	228,288
125,000	3,128	7,430	2,868	102,953	2,607	257,932
21,439,304	1,310,165	4,040,695	2,351,109	22,351,669	2,976,377	256,760,415
50,000	-	-	-	-	-	50,000
-	-	-	-	3,761	-	3,761
-	-	-	95,554	15,000	-	1,032,737
-	-	-	140,000	14,762,838	744,617	20,392,485
-	-	-	-	-	3,125,954	3,839,621
14,442	6,300	201,252	86,146	18,550,454	3,985,917	54,538,077
-	-	16,134,510	-	-	-	16,134,510
(14,442)	(6,300)	(16,064,177)	(226,146)	(21,607,788)	(5,582,016)	(71,714,822)
50,000	-	271,585	95,554	11,724,265	2,274,472	24,276,369
21,489,304	1,310,165	4,312,280	2,446,663	34,075,934	5,250,849	281,036,784
177,914	545,407	1,182,849	442,017	4,176,520	328,750	9,211,364
51,750	161,023	347,534	129,518	1,194,619	102,307	2,648,145
229,664	706,430	1,530,383	571,535	5,371,139	431,057	11,859,509
457,283	6,617	24,192	5,968	3,033,514	187,384	6,258,589
36,581	103,607	236,343	82,175	792,182	65,031	1,703,520
-	-	-	4,559	5,330	-	148,839
-	-	-	-	-	-	2,210,420
24,744	33,205	175,850	79,182	1,259,560	460	3,892,986
-	-	-	-	-	-	4,699
10,991	-	-	-	5,667	-	16,658
-	-	-	-	-	-	3,483,494
-	-	-	17,417	-	-	17,417
20,005,005	-	-	-	-	-	103,589,736
55,385	174,312	367,866	154,386	1,288,791	122,622	2,764,399
-	-	-	-	513,323	-	513,323
-	-	-	-	-	-	285,456
20,589,989	317,741	804,251	343,687	6,898,367	375,497	124,889,536
-	-	-	-	4,633,432	-	6,070,932
49,828,997	-	-	-	-	-	49,828,997
1,117,337	3,380,401	7,368,996	2,760,129	26,465,604	1,367,396	57,231,711
447,876	1,393,611	3,007,795	1,120,942	10,339,033	952,155	22,985,551
35,039	33,083	190,439	74,945	595,908	65,760	1,228,078
-	-	-	-	1,656,311	-	1,656,311
51,429,249	4,807,095	10,567,230	3,956,016	43,690,288	2,385,311	139,001,580
72,019,238	5,124,836	11,371,481	4,299,703	50,588,655	2,760,808	263,891,116
68,248	206,481	450,107	168,593	1,616,552	266,061	3,678,324
31,807	98,972	213,608	79,608	734,261	65,901	1,630,675
100,055	305,453	663,715	248,201	2,350,813	331,962	5,308,999
-	-	271,585	95,554	9,563,087	2,274,472	21,779,735
(50,400,325)	(3,413,694)	(6,464,118)	(1,625,260)	(23,055,482)	314,664	1,916,443
\$ (50,400,325)	\$ (3,413,694)	\$ (6,192,533)	\$ (1,529,706)	\$ (13,492,395)	\$ 2,589,136	\$ 23,696,178



## Combining Statement of Revenues, Expenses and Changes in Fund Net Position

### Internal Service Funds

*For the Fiscal Year Ended June 30, 2021*

	Self-Insurance	Buildings and Grounds	Fleet Services	Communications
<b>Operating Revenues</b>				
Net premium income	\$ 371,045,254	\$ -	\$ -	\$ -
Sales	-	-	7,725	-
Charges for services	-	930,174	48,883	7,037,791
Rental income	-	16,400,789	6,242,486	-
Other	3,683	48,901	-	-
<b>Total operating revenues</b>	<b>371,048,937</b>	<b>17,379,864</b>	<b>6,299,094</b>	<b>7,037,791</b>
<b>Operating Expenses</b>				
Salaries and benefits	2,161,431	5,634,598	1,173,262	1,123,361
Operating	3,073,204	9,436,708	2,701,014	4,732,116
Claims and benefits expense	300,583,601	-	-	-
Materials or supplies used	-	-	237,077	-
Depreciation	14,447	140,883	3,481,375	40,457
Insurance premiums	62,625,892	-	-	-
<b>Total operating expenses</b>	<b>368,458,575</b>	<b>15,212,189</b>	<b>7,592,728</b>	<b>5,895,934</b>
Operating income (loss)	2,590,362	2,167,675	(1,293,634)	1,141,857
<b>Nonoperating Revenues (Expenses)</b>				
Interest and investment income	(518,267)	-	-	-
Interest expense	-	-	(31,921)	-
Gain (loss) on disposal of assets	-	-	282,628	-
<b>Total nonoperating revenues (expenses)</b>	<b>(518,267)</b>	<b>-</b>	<b>250,707</b>	<b>-</b>
Income (loss) before transfers	2,072,095	2,167,675	(1,042,927)	1,141,857
<b>Transfers</b>				
Transfers in	9,467,584	1,231,562	242,248	93,236
Transfers out	-	(25,375)	(28,991)	-
Change in net position	11,539,679	3,373,862	(829,670)	1,235,093
Net position, July 1	84,591,878	(4,314,086)	9,315,057	(1,244,081)
Net position restatement	(7,532,037)	-	-	-
Net position, July 1 (as restated)	77,059,841	(4,314,086)	9,315,057	(1,244,081)
Net position, June 30	<b>\$ 88,599,520</b>	<b>\$ (940,224)</b>	<b>\$ 8,485,387</b>	<b>\$ (8,988)</b>

(continued)

Insurance Premiums	Administrative Services	Personnel	Purchasing	Information Services	Printing	Total
\$ 24,690,719	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 395,735,973
-	-	-	-	-	2,739,962	2,747,687
-	3,247,725	9,141,788	4,648,589	39,396,179	-	64,451,129
-	-	-	-	-	-	22,643,275
210,128	-	28,782	92,500	15,954	2,764	402,712
24,900,847	3,247,725	9,170,570	4,741,089	39,412,133	2,742,726	485,980,776
802,572	2,425,236	5,306,483	1,729,948	18,013,975	1,641,156	40,012,022
2,024,042	490,078	3,027,476	1,485,935	16,668,406	950,688	44,589,667
21,622,185	-	-	-	-	-	322,205,786
-	-	-	-	-	-	237,077
26	-	331,080	-	2,085,124	144,613	6,238,005
6,965,921	-	-	-	-	-	69,591,813
31,414,746	2,915,314	8,665,039	3,215,883	36,767,505	2,736,457	482,874,370
(6,513,899)	332,411	505,531	1,525,206	2,644,628	6,269	3,106,406
-	-	-	545	-	-	(517,722)
-	-	-	-	-	-	(31,921)
-	-	-	-	-	-	282,628
-	-	-	545	-	-	(267,015)
(6,513,899)	332,411	505,531	1,525,751	2,644,628	6,269	2,839,391
17,500	34,818	44,200	26,315	510,299	160,395	11,828,157
(1,010,000)	-	-	-	-	-	(1,064,366)
(7,506,399)	367,229	549,731	1,552,066	3,154,927	166,664	13,603,182
(42,893,926)	(3,780,923)	(6,742,264)	(3,081,772)	(16,647,322)	2,422,472	17,625,033
-	-	-	-	-	-	(7,532,037)
(42,893,926)	(3,780,923)	(6,742,264)	(3,081,772)	(16,647,322)	2,422,472	10,092,996
\$ (50,400,325)	\$ (3,413,694)	\$ (6,192,533)	\$ (1,529,706)	\$ (13,492,395)	\$ 2,589,136	\$ 23,696,178

## Combining Statement of Cash Flows

### Internal Service Funds

For the Fiscal Year Ended June 30, 2021

	Self-Insurance	Buildings and Grounds	Fleet Services	Communications
<b>Cash flows from operating activities</b>				
Receipts from customers and users	\$ 40,838,349	\$ 48,749	\$ 187,309	\$ 345,088
Receipts for interfund services provided	228,264,724	11,781,259	6,459,830	6,451,289
Receipts from component units	99,723,488	-	50,008	53
Receipts of principal on loans/notes	-	-	-	-
Payments to suppliers, other governments and beneficiaries	(372,657,533)	(5,595,160)	(3,241,775)	(4,298,047)
Payments to employees	(2,419,901)	(5,612,850)	(1,118,431)	(1,141,325)
Payments for interfund services	(781,154)	(2,114,067)	(1,215,450)	(352,283)
Payments to component units	-	-	-	-
<b>Net cash provided by (used for) operating activities</b>	<b>(7,032,027)</b>	<b>(1,492,069)</b>	<b>1,121,491</b>	<b>1,004,775</b>
<b>Cash flows from noncapital financing activities</b>				
Transfers and advances from other funds	6,622,086	1,089,546	201,359	99,471
Transfers and advances to other funds	-	(25,083)	(2,181,203)	-
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>6,622,086</b>	<b>1,064,463</b>	<b>(1,979,844)</b>	<b>99,471</b>
<b>Cash flows from capital and related financing activities</b>				
Proceeds from sale of capital assets	-	-	282,093	-
Purchase of capital assets	-	(20,688)	(604,229)	(96,850)
Principal paid on capital debt	-	-	(1,234,539)	-
Interest paid on capital debt	-	-	(31,921)	-
<b>Net cash provided by (used for) capital and related financing activities</b>	<b>-</b>	<b>(20,688)</b>	<b>(1,588,596)</b>	<b>(96,850)</b>
<b>Cash flows from investing activities</b>				
Interest, dividends and gains (losses)	(518,267)	-	-	-
<b>Net cash provided by (used for) investing activities</b>	<b>(518,267)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net increase (decreases) in cash	(928,208)	(448,294)	(2,446,949)	1,007,396
Cash and cash equivalents, July 1	159,637,188	5,893,863	5,506,061	92,785
<b>Cash and cash equivalents, June 30</b>	<b>\$ 158,708,980</b>	<b>\$ 5,445,569</b>	<b>\$ 3,059,112</b>	<b>\$ 1,100,181</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>				
Operating income (loss)	\$ 2,590,362	\$ 2,167,675	\$ (1,293,634)	\$ 1,141,857
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</b>				
Depreciation	14,447	140,883	3,481,375	40,457
Decrease (increase) in loans and notes receivable	-	-	-	-
Decrease (increase) in accrued interest and receivables	(2,216,115)	(5,556,551)	398,053	(241,361)
Decrease (increase) in inventory, deferred charges, other assets	(317)	456	204	61
Decrease (increase) in deferred outflow of resources	9,937	(66,967)	(18,501)	(12,209)
Increase (decrease) in accounts payable, accruals, other liabilities	(7,106,874)	1,598,383	(1,518,608)	62,678
Increase (decrease) in unearned revenues	(6,261)	-	-	-
Increase(decrease) in net pension liability	(296,198)	154,017	54,101	(2,990)
Increase(decrease) in net OPEB liability	104,425	279,847	55,227	57,604
Increase (decrease) in deferred inflows of resources	(125,433)	(209,812)	(36,726)	(41,322)
<b>Total adjustments</b>	<b>(9,622,389)</b>	<b>(3,659,744)</b>	<b>2,415,125</b>	<b>(137,082)</b>
<b>Net cash provided by (used for) operating activities</b>	<b>\$ (7,032,027)</b>	<b>\$ (1,492,069)</b>	<b>\$ 1,121,491</b>	<b>\$ 1,004,775</b>

(continued)

Insurance Premiums	Administrative Services	Personnel	Purchasing	Information Services	Printing	Total
\$ 233,110	\$ -	\$ 27,494	\$ 2,026,984	\$ 774,124	\$ 207,686	\$ 44,688,893
24,851,446	3,251,006	9,089,954	2,831,760	40,129,081	2,224,782	335,335,131
587,416	-	198,748	-	-	-	100,559,713
5,000	-	-	-	-	-	5,000
(12,543,879)	(104,717)	(666,024)	(1,084,845)	(13,961,896)	(686,148)	(414,840,024)
(748,937)	(2,433,864)	(5,250,007)	(1,933,540)	(18,060,658)	(1,581,660)	(40,301,173)
(11,388,873)	(351,571)	(2,372,510)	(795,117)	-	(232,762)	(19,603,787)
(83,683)	-	-	-	(88,294)	-	(171,977)
911,600	360,854	1,027,655	1,045,242	8,792,357	(68,102)	5,671,776
44,860	138,268	122,882	49,724	503,294	160,395	9,031,885
(1,010,000)	-	-	-	(1,886,432)	-	(5,102,718)
(965,140)	138,268	122,882	49,724	(1,383,138)	160,395	3,929,167
-	-	-	-	-	-	282,093
-	-	-	-	(36,961)	(33,760)	(792,488)
-	-	-	-	(513,323)	-	(1,747,862)
-	-	-	-	-	-	(31,921)
-	-	-	-	(550,284)	(33,760)	(2,290,178)
-	-	-	545	-	-	(517,722)
-	-	-	545	-	-	(517,722)
(53,540)	499,122	1,150,537	1,095,511	6,858,935	58,533	6,793,043
20,715,257	789,892	2,876,223	702,790	11,101,603	2,278,444	209,594,106
\$ 20,661,717	\$ 1,289,014	\$ 4,026,760	\$ 1,798,301	\$ 17,960,538	\$ 2,336,977	\$ 216,387,149
\$ (6,513,899)	\$ 332,411	\$ 505,531	\$ 1,525,206	\$ 2,644,630	\$ 6,269	\$ 3,106,408
26	-	331,080	-	2,085,124	144,613	6,238,005
5,000	-	-	-	-	-	5,000
771,125	3,281	145,626	117,655	1,491,072	(310,258)	(5,397,473)
39,065	193	(433)	(377)	(82,910)	12,550	(31,508)
(11,285)	(30,476)	(69,202)	1,957	(128,986)	57,598	(268,134)
6,579,054	45,808	(851)	(357,651)	2,764,236	54,186	2,120,361
-	-	-	-	-	-	(6,261)
34,687	(44,541)	26,329	(242,449)	107,783	(101,753)	(311,014)
35,155	148,053	285,145	98,556	640,599	54,103	1,758,714
(27,328)	(93,875)	(195,570)	(97,655)	(729,191)	14,590	(1,542,322)
7,425,499	28,443	522,124	(479,964)	6,147,727	(74,371)	2,565,368
911,600	360,854	1,027,655	1,045,242	8,792,357	(68,102)	5,671,776

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# Fiduciary Funds

## PENSION AND OTHER EMPLOYEE BENEFIT TRUST

**Public Employees' Retirement** Accounts for the operations of the Public Employees' Retirement System which provides income benefits to qualified public employees (NRS 286.220).

**Legislators' Retirement** Accounts for the operations of the Legislators' Retirement System (NRS 218.2375).

**Judicial Retirement** Accounts for the operations of the Judicial Retirement System which provides benefits for justices of the Supreme Court, district judges, municipal court judges, and justices of the peace (NRS 1A.160).

**State Retirees' Fund** Accounts for the assets accumulated and the payments made for other postemployment benefits provided to current and future State retirees. Administered as a defined benefit Other Postemployment Benefit Plan (OPEB) (NRS 287.0436).

## INVESTMENT TRUST

**Local Government Investment Pool** Accounts for investment funds received from local governments and pooled to obtain greater interest earnings (NRS 355.167).

**Nevada Enhanced Savings Term** Accounts for the establishment of one or more separate subaccounts for identified investments that are made for and allocated to specific participating local governments (NRS 355.165).

**Retirement Benefits Investment Fund** Accounts for investment of contributions made by participating entities to support financing of other post employment benefits at some time in the future (NRS 355.220).

## PRIVATE PURPOSE TRUST

**Prisoners' Personal Property** Accounts for personal property held in trust for prisoners pending their release (NRS 209.241).

**Nevada College Savings Plan** Accounts for participant contributions used to pay for future college expenses (NRS 353B.340).

## CUSTODIAL

**Intergovernmental** Accounts for taxes and fees, such as sales and use, property tax and motor vehicle privilege tax, collected by the Department of Taxation on behalf of local governments (NRS 353.254).

**Motor Vehicle** Accounts for taxes and fees collected by the Department of Motor Vehicles pending distribution to counties (NRS 482.180).

**Child Support Disbursement** Accounts for the centralized collection and disbursement of child support payments in accordance with 42 U.S.C. Sec. 654b (NRS 425.363).

**Child Welfare Trust** Accounts for survivor benefits held in trust for children receiving welfare services (NRS 432.037).

**Restitution Trust** Accounts for money received from parolees making restitution (NRS 213.126).

June 30, 2021

	Pension Trust Funds				
	Public Employees' Retirement	Legislators' Retirement	Judicial Retirement	State Retirees' Fund	Total
<b>Assets</b>					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ -	\$ -	\$ -	2,118,781	\$ 2,118,781
Cash in custody of other officials	705,534,396	255,437	1,066,412	-	706,856,245
<i>Investments:</i>					
Investments	57,468,665,112	5,680,910	177,594,003	-	57,651,940,025
Collateral on loaned securities	174,487,304	-	-	-	174,487,304
<i>Receivables:</i>					
Taxes receivable	-	-	-	-	-
Intergovernmental receivables	164,794,178	-	76,746	6,716	164,877,640
Accrued interest and dividends	156,089,782	5,409	157,587	-	156,252,778
Other receivables	-	-	4,425,738	-	4,425,738
Pending trades receivable	719,321,011	93,642	2,850,979	-	722,265,632
Contributions receivables	-	-	-	-	-
Due from other funds	25,434,663	-	279,345	7,142	25,721,150
Due from fiduciary funds	-	-	-	-	-
Other assets	4,769,353	-	-	-	4,769,353
Furniture and equipment	48,629,942	-	-	-	48,629,942
Less accumulated depreciation/amortization	(43,481,270)	-	-	-	(43,481,270)
<b>Total assets</b>	<b>59,424,244,471</b>	<b>6,035,398</b>	<b>186,450,810</b>	<b>2,132,639</b>	<b>59,618,863,318</b>
<b>Liabilities</b>					
<i>Accounts payable and accruals:</i>					
Accounts payable	39,500,223	3,365	49,446	-	39,553,034
Intergovernmental payables	-	-	-	-	-
Pending trades payable	751,768,813	299,574	3,019,883	-	755,088,270
Redemptions payable	-	-	-	-	-
Bank overdraft	-	-	-	-	-
Obligations under securities lending	174,487,304	-	-	-	174,487,304
Due to other funds	3,776	-	-	12,100,467	12,104,243
Due to fiduciary funds	-	-	-	-	-
Other liabilities	-	102,028	-	-	102,028
<b>Total liabilities</b>	<b>965,760,116</b>	<b>404,967</b>	<b>3,069,329</b>	<b>12,100,467</b>	<b>981,334,879</b>
<b>Net Position</b>					
<i>Restricted for:</i>					
Pension benefits	58,458,484,355	5,630,431	183,381,481	-	58,647,496,267
OPEB benefits	-	-	-	(9,967,828)	(9,967,828)
Pool participants	-	-	-	-	-
Individuals and other governments	-	-	-	-	-
<b>Total net position</b>	<b>\$ 58,458,484,355</b>	<b>\$ 5,630,431</b>	<b>\$ 183,381,481</b>	<b>\$ (9,967,828)</b>	<b>\$ 58,637,528,439</b>

(continued)

Investment Trust Funds				Private-Purpose Trust Funds		
Local Government Investment Pool	Nevada Enhanced Savings Term	Retirement Benefits Investment Fund	Total	Prisoners' Personal Property	Nevada College Savings Plan	Total
\$ -	\$ -	\$ -	\$ -	15,556,624	\$ -	15,556,624
-	-	6,593,085	6,593,085	-	35,070,362	35,070,362
2,096,123,445	4,900,938	766,568,294	2,867,592,677	-	37,467,668,032	37,467,668,032
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	2,865	-	2,865
5,002,395	16,683	1,666,662	6,685,740	-	690,504	690,504
-	-	-	-	-	-	-
-	-	12,734,433	12,734,433	-	13,168,983	13,168,983
-	-	-	-	-	25,489,661	25,489,661
-	-	-	-	119,716	-	119,716
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	48,222	-	48,222
-	-	-	-	(48,222)	-	(48,222)
2,101,125,840	4,917,621	787,562,474	2,893,605,935	15,679,205	37,542,087,542	37,557,766,747
-	1,039	62,294	63,333	1,324,395	3,937,818	5,262,213
2,221	-	-	2,221	-	-	-
-	-	13,725,519	13,725,519	-	14,503,261	14,503,261
-	-	-	-	-	17,883,923	17,883,923
-	-	-	-	-	2,542,000	2,542,000
-	-	-	-	-	-	-
4,377	489	-	4,866	1,340,694	-	1,340,694
-	-	-	-	952	-	952
38,619	-	-	38,619	-	-	-
45,217	1,528	13,787,813	13,834,558	2,666,041	38,867,002	41,533,043
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,101,080,623	4,916,093	773,774,661	2,879,771,377	-	-	-
-	-	-	-	13,013,164	37,503,220,540	37,516,233,704
\$ 2,101,080,623	\$ 4,916,093	\$ 773,774,661	\$ 2,879,771,377	\$ 13,013,164	\$ 37,503,220,540	\$ 37,516,233,704



June 30, 2021

	Custodial Funds					
	Intergovern- mental	Motor Vehicle	Child Support Disbursement	Child Welfare Trust	Restitution Trust	Total
<b>Assets</b>						
<i>Cash and pooled investments:</i>						
Cash with treasurer	\$ 108,086,608	\$ 51,495,461	\$ -	\$ 160,892	\$ 4,799,314	\$ 164,542,275
Cash in custody of other officials	-	-	2,152,497	-	-	2,152,497
<i>Investments:</i>						
Investments	-	-	-	-	-	-
Collateral on loaned securities	-	-	-	-	-	-
<i>Receivables:</i>						
Taxes receivable	8,618,329	46,362,642	-	-	-	54,980,971
Intergovernmental receivables	-	268	-	-	-	268
Accrued interest and dividends	-	-	-	-	-	-
Other receivables	-	86,961	-	8,187	-	95,148
Pending trades receivable	-	-	-	-	-	-
Contributions receivables	-	-	-	-	-	-
Due from other funds	762,100,943	19,722	-	461	2,527	762,123,653
Due from fiduciary funds	-	952	-	-	-	952
Other assets	-	-	-	-	-	-
Furniture and equipment	-	-	-	-	-	-
Less accumulated depreciation/amortization	-	-	-	-	-	-
<b>Total assets</b>	<b>878,805,880</b>	<b>97,966,006</b>	<b>2,152,497</b>	<b>169,540</b>	<b>4,801,841</b>	<b>983,895,764</b>
<b>Liabilities</b>						
<i>Accounts payable and accruals:</i>						
Accounts payable	-	1,746,963	-	12,219	150,843	1,910,025
Intergovernmental payables	802,859,636	96,219,043	-	522	-	899,079,201
Pending trades payable	-	-	-	-	-	-
Redemptions payable	-	-	-	-	-	-
Bank overdraft	-	-	-	-	-	-
Obligations under securities lending	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Due to fiduciary funds	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total liabilities</b>	<b>802,859,636</b>	<b>97,966,006</b>	<b>-</b>	<b>12,741</b>	<b>150,843</b>	<b>900,989,226</b>
<b>Net Position</b>						
<i>Restricted for:</i>						
Pension benefits	-	-	-	-	-	-
OPEB benefits	-	-	-	-	-	-
Pool participants	-	-	-	-	-	-
Individuals and other governments	75,946,244	-	2,152,497	156,799	4,650,998	82,906,538
<b>Total net position</b>	<b>\$ 75,946,244</b>	<b>\$ -</b>	<b>\$ 2,152,497</b>	<b>\$ 156,799</b>	<b>\$ 4,650,998</b>	<b>\$ 82,906,538</b>

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For the Fiscal Year Ended June 30, 2021

	Pension Trust Funds				
	Public Employees' Retirement	Legislators' Retirement	Judicial Retirement	State Retirees' Fund	Total
<b>Additions</b>					
<i>Contributions:</i>					
Employer	\$ 1,051,938,035	\$ 82,846	\$ 9,837,655	\$ 39,563,787	\$ 1,101,422,323
Plan members	1,051,938,035	19,182	236,019	-	1,052,193,236
Participants	-	-	-	-	-
Repayment and purchase of service	69,958,026	-	186,723	-	70,144,749
<b>Total contributions</b>	<b>2,173,834,096</b>	<b>102,028</b>	<b>10,260,397</b>	<b>39,563,787</b>	<b>2,223,760,308</b>
<i>Investment income:</i>					
Net increase (decrease) in fair value of investments	11,712,776,483	1,197,206	37,148,296	273,081	11,751,395,066
Interest, dividends	823,669,716	57,462	1,807,673	34,923	825,569,774
Securities lending	3,183,489	-	-	-	3,183,489
Other	126,075,176	-	-	-	126,075,176
	12,665,704,864	1,254,668	38,955,969	308,004	12,706,223,505
Less investment expense:					
Other	(63,614,580)	(930)	(26,424)	(453)	(63,642,387)
<b>Net investment income</b>	<b>12,602,090,284</b>	<b>1,253,738</b>	<b>38,929,545</b>	<b>307,551</b>	<b>12,642,581,118</b>
<i>Other:</i>					
Investment from local governments	-	-	-	-	-
Taxes and fees collected for other governments	-	-	-	-	-
Child support collections	-	-	-	-	-
Other	3,262,309	84,178	-	-	3,346,487
<b>Total other</b>	<b>3,262,309</b>	<b>84,178</b>	<b>-</b>	<b>-</b>	<b>3,346,487</b>
<b>Total additions</b>	<b>14,779,186,689</b>	<b>1,439,944</b>	<b>49,189,942</b>	<b>39,871,338</b>	<b>14,869,687,913</b>
<b>Deductions</b>					
Principal redeemed	-	-	-	-	-
Benefit payments	3,008,567,031	420,603	7,037,611	44,187,551	3,060,212,796
Refunds	30,272,862	-	-	-	30,272,862
Net position restatement	4,424,263	-	-	-	4,424,263
Administrative expense	12,555,534	83,247	112,527	-	12,751,308
Payment of taxes and fees to other governments	-	-	-	-	-
Child support payments	-	-	-	-	-
Restitution payments	-	-	-	-	-
<b>Total deductions</b>	<b>3,055,819,690</b>	<b>503,850</b>	<b>7,150,138</b>	<b>44,187,551</b>	<b>3,107,661,229</b>
Change in net position	11,723,366,999	936,094	42,039,804	(4,316,213)	11,762,026,684
Net position, July 1	46,735,117,356	4,694,337	141,341,677	(5,651,615)	46,875,501,755
Net position, June 30	\$ 58,458,484,355	\$ 5,630,431	\$ 183,381,481	\$ (9,967,828)	\$ 58,637,528,439

(continued)

Investment Trust Funds				Private-Purpose Trust Funds		
Local Government Investment Pool	Nevada Enhanced Savings Term	Retirement Benefits Investment Fund	Total	Prisoners' Personal Property	Nevada College Savings Plan	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	28,091,111	3,443,955,659	3,472,046,770
-	-	-	-	-	-	-
-	-	-	-	28,091,111	3,443,955,659	3,472,046,770
(4,497,888)	(48,297)	153,989,600	149,443,415	-	6,138,106,769	6,138,106,769
8,675,845	(24,850)	12,075,265	20,726,260	-	779,996,007	779,996,007
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,177,957	(73,147)	166,064,865	170,169,675	-	6,918,102,776	6,918,102,776
-	-	(105,998)	(105,998)	-	-	-
4,177,957	(73,147)	165,958,867	170,063,677	-	6,918,102,776	6,918,102,776
2,609,390,578	42,894	8,246,143	2,617,679,615	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	139	139	-	-	-
2,609,390,578	42,894	8,246,282	2,617,679,754	-	-	-
2,613,568,535	(30,253)	174,205,149	2,787,743,431	28,091,111	10,362,058,435	10,390,149,546
2,271,435,084	35,620,890	-	2,307,055,974	-	1,963,570,549	1,963,570,549
-	-	-	-	23,187,001	-	23,187,001
-	-	-	-	-	-	-
-	-	2,287,614	2,287,614	-	-	-
451,041	6,160	96,227	553,428	-	43,057,684	43,057,684
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,271,886,125	35,627,050	2,383,841	2,309,897,016	23,187,001	2,006,628,233	2,029,815,234
341,682,410	(35,657,303)	171,821,308	477,846,415	4,904,110	8,355,430,202	8,360,334,312
1,759,398,213	40,573,396	601,953,353	2,401,924,962	8,109,054	29,147,790,338	29,155,899,392
\$ 2,101,080,623	\$ 4,916,093	\$ 773,774,661	\$ 2,879,771,377	\$ 13,013,164	\$ 37,503,220,540	\$ 37,516,233,704

For the Fiscal Year Ended June 30, 2021

	Custodial Funds					Total
	Intergovern- mental	Motor Vehicle	Child Support Disbursement	Child Welfare Trust	Restitution Trust	
<b>Additions</b>						
<i>Contributions:</i>						
Employer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan members	-	-	-	-	-	-
Participants	-	-	-	-	-	-
Repayment and purchase of service	-	-	-	-	-	-
<b>Total contributions</b>	-	-	-	-	-	-
<i>Investment income:</i>						
Net increase (decrease) in fair value of investments	-	-	-	-	-	-
Interest, dividends	-	-	-	(929)	-	(929)
Securities lending	-	-	-	-	-	-
Other	-	-	-	-	-	-
	-	-	-	(929)	-	(929)
Less investment expense:						
Other	-	-	-	-	-	-
<b>Net investment income</b>	-	-	-	(929)	-	(929)
<i>Other:</i>						
Investment from local governments	-	-	-	-	-	-
Taxes and fees collected for other governments	4,076,082,037	668,876,475	-	-	-	4,744,958,512
Child support collections	-	-	235,019,457	-	-	235,019,457
Other	75,369,262	-	-	167,092	3,636,642	79,172,996
<b>Total other</b>	4,151,451,299	668,876,475	235,019,457	167,092	3,636,642	5,059,150,965
<b>Total additions</b>	4,151,451,299	668,876,475	235,019,457	166,163	3,636,642	5,059,150,036
<b>Deductions</b>						
Principal redeemed	-	-	-	-	-	-
Benefit payments	-	-	-	137,113	-	137,113
Refunds	-	-	-	-	-	-
Net position restatement	-	-	-	-	-	-
Administrative expense	-	-	-	-	-	-
Payment of taxes and fees to other governments	4,075,505,055	668,876,475	-	-	-	4,744,381,530
Child support payments	-	-	237,777,012	-	-	237,777,012
Restitution payments	-	-	-	-	2,751,086	2,751,086
<b>Total deductions</b>	4,075,505,055	668,876,475	237,777,012	137,113	2,751,086	4,985,046,741
Change in net position	75,946,244	-	(2,757,555)	29,050	885,556	74,103,295
Net position, July 1	-	-	4,910,052	127,749	3,765,442	8,803,243
Net position, June 30	\$ 75,946,244	\$ -	\$ 2,152,497	\$ 156,799	\$ 4,650,998	\$ 82,906,538

# Statistical Section

This part of the State of Nevada's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

## **FINANCIAL TRENDS (TABLES 1 TO 4)**

These tables contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

## **REVENUE CAPACITY (TABLES 5 TO 6)**

These tables contain information to help the reader assess the government's most significant revenue source, taxable sales.

## **DEBT CAPACITY (TABLES 7 TO 10)**

These tables present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

## **DEMOGRAPHIC AND ECONOMIC INFORMATION (TABLES 11 TO 14)**

These tables offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

## **OPERATING INFORMATION (TABLES 15 TO 16)**

These tables contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these tables is derived from the annual comprehensive financial report of the relevant year.

# Table 1 - Net Position by Component

Last Ten Fiscal Years, (Accrual Basis of Accounting, Expressed in Thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 4,017,147	\$ 4,357,735	\$ 4,672,738	\$ 4,895,213	\$ 5,588,027	\$ 5,623,373	\$ 5,694,397	\$ 9,309,140	\$ 9,581,627	\$ 9,846,410
Restricted	700,341	741,250	866,071	976,650	1,105,037	1,165,363	1,208,340	1,215,626	1,309,935	1,212,473
Unrestricted (deficit)	(59,069)	(3,135)	(124,344)	(2,223,609)	(1,888,144)	(1,580,030)	(2,448,744)	(2,058,748)	(1,956,044)	(1,328,227)
<b>Total governmental activities net position</b>	<b>\$ 4,658,419</b>	<b>\$ 5,095,850</b>	<b>\$ 5,414,465</b>	<b>\$ 3,648,254</b>	<b>\$ 4,804,920</b>	<b>\$ 5,208,706</b>	<b>\$ 4,453,993</b>	<b>\$ 8,466,018</b>	<b>\$ 8,935,518</b>	<b>\$ 9,730,656</b>
<b>Business-type Activities</b>										
Net investment in capital assets	\$ 3,076	\$ 3,422	\$ 3,434	\$ 3,791	\$ 4,310	\$ 6,446	\$ 6,121	\$ 5,834	\$ 5,627	\$ 5,130
Restricted	538,143	560,410	599,806	651,863	1,153,048	1,704,681	2,226,783	2,734,062	1,858,847	932,984
Unrestricted (deficit)	(544,418)	(360,488)	(223,987)	88,253	8,873	13,533	21,771	33,494	59,690	87,680
<b>Total business-type activities net position</b>	<b>\$ (3,199)</b>	<b>\$ 203,344</b>	<b>\$ 379,253</b>	<b>\$ 743,907</b>	<b>\$ 1,166,231</b>	<b>\$ 1,724,660</b>	<b>\$ 2,254,675</b>	<b>\$ 2,773,390</b>	<b>\$ 1,924,164</b>	<b>\$ 1,025,794</b>
<b>Primary Government</b>										
Net investment in capital assets	\$ 4,020,223	\$ 4,361,157	\$ 4,676,172	\$ 4,899,004	\$ 5,592,337	\$ 5,629,819	\$ 5,700,518	\$ 9,314,974	\$ 9,587,254	\$ 9,851,540
Restricted	1,238,484	1,301,660	1,465,877	1,628,513	2,258,085	2,870,044	3,435,123	3,949,688	3,168,782	2,145,457
Unrestricted (deficit)	(603,487)	(363,623)	(348,331)	(2,135,356)	(1,879,271)	(1,566,497)	(2,426,973)	(2,025,254)	(1,896,354)	(1,240,547)
<b>Total primary government net position</b>	<b>\$ 4,655,220</b>	<b>\$ 5,299,194</b>	<b>\$ 5,793,718</b>	<b>\$ 4,392,161</b>	<b>\$ 5,971,151</b>	<b>\$ 6,933,366</b>	<b>\$ 6,708,668</b>	<b>\$ 11,239,408</b>	<b>\$ 10,859,682</b>	<b>\$ 10,756,450</b>

## Table 2 - Changes in Net Position

Last Ten Fiscal Years, (Accrual Basis of Accounting, Expressed in Thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
Governmental activities:										
General government	\$ 240,417	\$ 229,136	\$ 202,620	\$ 280,465	\$ 206,620	\$ 351,831	\$ 289,383	\$ 391,690	\$ 262,523	\$ 646,810
Health and social services	3,250,926	3,464,334	3,784,055	4,887,130	-	-	-	-	-	-
Health services (c)	-	-	-	-	3,509,058	3,957,042	4,142,999	4,391,281	4,275,154	4,771,672
Social services (c)	-	-	-	-	1,601,995	1,545,446	1,700,745	1,699,099	1,886,634	2,406,499
Education - K-12 state support (c)	-	-	-	-	1,460,123	1,478,773	1,612,584	1,595,968	1,803,605	1,701,099
Education - K-12 administrative (c)	-	-	-	-	524,397	580,719	563,634	606,585	638,858	692,623
Education - K-12 (b)	1,794,579	1,812,992	1,830,605	1,892,519	-	-	-	-	-	-
Education - higher education (b)	486,320	477,852	495,893	490,407	577,683	570,398	717,073	672,643	696,982	566,306
Law, justice and public safety	646,701	657,728	662,330	695,023	709,920	750,614	729,018	712,443	865,199	757,496
Regulation of business	101,687	85,688	303,020	259,106	299,093	295,766	315,038	332,615	312,520	455,096
Transportation	801,797	505,354	327,519	462,386	180,224	841,046	851,333	483,718	553,452	625,214
Recreation and resource development	138,599	134,578	139,188	145,000	144,940	161,621	178,524	183,102	184,811	174,449
Interest on long-term debt	122,080	106,126	121,224	94,987	79,527	73,785	74,499	75,913	71,861	68,382
Unallocated depreciation	1,755	2,023	2,150	2,137	2,680	2,673	2,766	2,306	2,439	2,534
<b>Total governmental activities: expenses</b>	<b>7,584,861</b>	<b>7,475,811</b>	<b>7,868,604</b>	<b>9,209,160</b>	<b>9,296,260</b>	<b>10,609,714</b>	<b>11,177,596</b>	<b>11,147,363</b>	<b>11,554,038</b>	<b>12,868,180</b>
Business-type activities:										
Unemployment insurance	1,286,839	867,600	552,246	380,166	342,279	313,306	297,532	281,188	5,474,097	6,928,086
Housing	50,979	34,247	31,954	23,442	27,099	19,316	23,582	27,805	35,647	34,856
Water loans	8,249	8,942	7,837	6,372	4,962	4,802	7,017	4,361	5,758	5,177
Workers' compensation and safety	27,706	28,685	26,715	27,644	31,024	30,011	39,276	34,563	42,469	48,031
Higher education tuition	26,067	25,081	21,325	25,768	25,108	23,383	11,293	8,046	11,167	17,734
Other	26,187	32,107	32,944	30,263	31,471	32,181	31,487	31,921	32,631	29,695
<b>Total business-type activities expenses</b>	<b>1,426,027</b>	<b>996,662</b>	<b>673,021</b>	<b>493,655</b>	<b>461,943</b>	<b>422,999</b>	<b>410,187</b>	<b>387,884</b>	<b>5,601,769</b>	<b>7,063,579</b>
<b>Total primary government expenses</b>	<b>\$ 9,010,888</b>	<b>\$ 8,472,473</b>	<b>\$ 8,541,625</b>	<b>\$ 9,702,815</b>	<b>\$ 9,758,203</b>	<b>\$ 11,032,713</b>	<b>\$ 11,587,783</b>	<b>\$ 11,535,247</b>	<b>\$ 17,155,807</b>	<b>\$ 19,931,759</b>



**Table 2 - Changes in Net Position**

Last Ten Fiscal Years, (Accrual Basis of Accounting, Expressed in Thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 183,278	\$ 180,169	\$ 174,265	\$ 172,468	\$ 180,648	\$ 194,111	\$ 212,509	\$ 210,572	\$ 234,368	\$ 232,752
Health and social services	212,730	212,310	172,459	222,917	-	-	-	-	-	-
Health services (c)	-	-	-	-	98,107	106,150	183,740	187,583	165,324	207,164
Social services (c)	-	-	-	-	139,256	137,574	49,653	50,875	53,530	55,533
Law, justice and public safety	253,431	267,060	273,895	295,582	301,894	316,046	263,957	283,688	248,853	280,194
Other	145,116	128,126	146,567	138,010	165,741	148,229	190,811	186,307	196,738	178,720
Operating grants and contributions	3,091,556	3,116,377	3,416,382	4,337,546	4,791,688	5,076,398	5,274,341	5,521,791	5,592,299	7,380,203
Capital grants and contributions	73,749	56,003	9,349	10,385	12,503	31,458	21,998	42,689	27,732	7,317
<b>Total governmental activities: program revenues</b>	<b>3,959,860</b>	<b>3,960,045</b>	<b>4,192,917</b>	<b>5,176,908</b>	<b>5,689,837</b>	<b>6,009,966</b>	<b>6,197,009</b>	<b>6,483,505</b>	<b>6,518,844</b>	<b>8,341,883</b>
Business-type activities:										
Charges for services:										
Unemployment insurance	1,544	1,556	1,393	1,753	2,974	975	3,442	4,198	4,946	4,249
Housing	20,105	19,840	16,003	17,058	18,934	19,450	22,252	26,707	31,677	35,060
Water loans	8,371	8,873	8,924	8,233	8,755	8,679	9,581	9,527	9,750	9,178
Workers' compensation and safety	37,946	34,322	40,671	34,804	38,639	43,216	54,130	49,781	50,181	53,673
Higher education tuition (a)	14,065	20,074	22,063	18,643	19,369	17,933	13,934	13,792	11,709	11,631
Other	25,856	32,358	32,210	31,394	31,475	32,969	30,559	31,848	34,604	33,509
Operating grants and contributions (a)	848,585	503,960	196,653	75,716	58,795	83,365	82,657	97,883	3,952,488	5,493,887
<b>Total business-type activities: program revenues</b>	<b>956,472</b>	<b>620,983</b>	<b>317,917</b>	<b>187,601</b>	<b>178,941</b>	<b>206,587</b>	<b>216,555</b>	<b>233,736</b>	<b>4,095,355</b>	<b>5,641,187</b>
<b>Total primary government program revenues</b>	<b>\$ 4,916,332</b>	<b>\$ 4,581,028</b>	<b>\$ 4,510,834</b>	<b>\$ 5,364,509</b>	<b>\$ 5,868,778</b>	<b>\$ 6,216,553</b>	<b>\$ 6,413,564</b>	<b>\$ 6,717,241</b>	<b>\$ 10,614,199</b>	<b>\$ 13,983,070</b>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (3,625,001)	\$ (3,515,766)	\$ (3,675,687)	\$ (4,032,252)	\$ (3,606,423)	\$ (4,599,748)	\$ (4,980,587)	\$ (4,663,858)	\$ (5,035,194)	\$ (4,526,297)
Business-type activities	(469,555)	(375,679)	(355,104)	(306,054)	(283,002)	(216,412)	(193,632)	(154,148)	(1,506,414)	(1,422,392)
<b>Total primary government net expense</b>	<b>\$ (4,094,556)</b>	<b>\$ (3,891,445)</b>	<b>\$ (4,030,791)</b>	<b>\$ (4,338,306)</b>	<b>\$ (3,889,425)</b>	<b>\$ (4,816,160)</b>	<b>\$ (5,174,219)</b>	<b>\$ (4,818,006)</b>	<b>\$ (6,541,608)</b>	<b>\$ (5,948,689)</b>

## Table 2 - Changes in Net Position

Last Ten Fiscal Years, (Accrual Basis of Accounting, Expressed in Thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Sales and use taxes	\$ 967,374	\$ 1,027,124	\$ 1,085,656	\$ 1,160,968	\$ 1,219,151	\$ 1,285,247	\$ 1,340,985	\$ 1,473,989	\$ 1,502,047	\$ 1,666,374
Gaming taxes	884,928	901,085	922,999	906,382	910,684	896,571	868,923	953,711	868,899	588,642
Modified business taxes	373,156	386,928	382,976	413,749	562,867	572,873	584,212	640,552	666,232	591,148
Insurance premium taxes	238,083	252,195	256,587	301,226	301,368	358,499	394,543	422,106	450,749	488,161
Lodging taxes (d)	-	-	-	-	167,159	178,846	179,951	208,477	157,099	94,223
Cigarette taxes (d)	-	-	-	-	153,033	180,677	160,665	164,393	156,695	152,702
Commerce taxes (d)	-	-	-	-	143,508	198,322	205,013	227,431	206,609	225,944
Property and transfer taxes	215,649	215,211	209,784	219,188	238,192	247,939	277,987	284,614	294,656	346,408
Motor and special fuel taxes	267,181	269,232	269,544	277,305	289,909	299,426	316,780	327,474	315,659	332,713
Other taxes	696,431	685,650	688,399	833,960	582,331	680,738	635,151	579,537	606,474	753,326
Unrestricted investment earnings	(11,543)	2,892	5,462	14,780	10,352	2,646	10,864	37,983	45,763	265
Other general revenues	300,430	229,733	160,298	231,042	267,350	207,338	203,347	216,122	192,497	275,551
Contributions to permanent funds	6,705	5,376	5,908	9,038	7,480	9,586	10,005	8,259	16,589	13,650
Special item - termination of project construction	-	-	-	-	-	-	(16,054)	-	-	-
Transfers	(3,009)	(22,229)	6,689	(147,100)	(127,364)	(146,901)	(137,005)	12,121	17,929	21,798
<b>Total governmental activities:</b>	<b>3,935,385</b>	<b>3,953,197</b>	<b>3,994,302</b>	<b>4,220,538</b>	<b>4,726,020</b>	<b>4,971,807</b>	<b>5,035,367</b>	<b>5,556,769</b>	<b>5,497,897</b>	<b>5,550,905</b>
Business-type activities:										
Other taxes	515,402	565,925	537,372	555,187	566,551	624,242	653,150	684,984	677,006	611,251
Other	-	212	-	-	-	-	-	-	-	-
Special item	-	-	330	5,000	-	-	-	-	-	-
Transfers	3,009	22,229	(6,689)	147,100	127,364	146,901	137,005	(12,121)	(17,929)	(21,798)
<b>Total business-type activities:</b>	<b>518,411</b>	<b>588,366</b>	<b>531,013</b>	<b>707,287</b>	<b>693,915</b>	<b>771,143</b>	<b>790,155</b>	<b>672,863</b>	<b>659,077</b>	<b>589,453</b>
<b>Total primary government</b>	<b>\$ 4,453,796</b>	<b>\$ 4,541,563</b>	<b>\$ 4,525,315</b>	<b>\$ 4,927,825</b>	<b>\$ 5,419,935</b>	<b>\$ 5,742,950</b>	<b>\$ 5,825,522</b>	<b>\$ 6,229,632</b>	<b>\$ 6,156,974</b>	<b>\$ 6,140,358</b>
<b>Change in Net Position</b>										
Governmental activities:	\$ 310,384	\$ 437,431	\$ 318,615	\$ 188,286	\$ 1,119,597	\$ 372,059	\$ 54,780	\$ 892,911	\$ 462,703	\$ 1,024,608
Business-type activities:	48,856	212,687	175,909	401,233	410,913	554,731	596,523	518,715	(847,337)	(832,939)
<b>Total primary government</b>	<b>\$ 359,240</b>	<b>\$ 650,118</b>	<b>\$ 494,524</b>	<b>\$ 589,519</b>	<b>\$ 1,530,510</b>	<b>\$ 926,790</b>	<b>\$ 651,303</b>	<b>\$ 1,411,626</b>	<b>\$ (384,634)</b>	<b>\$ 191,669</b>

(a) Revised figures for years 2012-2013.

(b) Beginning with fiscal year 2015, educational expenditures are reported separately for K-12 and higher education; accordingly, fiscal years 2012 through 2014 have been revised to report these separately.

(c) Beginning with fiscal year 2016, health and social services expenditures are reported separately, and educational K-12 expenditures are reported separately for state support and for administrative.

(d) Beginning with fiscal year 2016, lodging, cigarette and commerce taxes revenues are reported separately (previously included with other taxes).

### Table 3 - Fund Balances of Governmental Funds

Last Ten Fiscal Years, (Modified Accrual Basis of Accounting, Expressed in Thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Fund</b>										
Nonspendable	\$ 23,801	\$ 33,113	\$ 39,255	\$ 35,134	\$ 26,953	\$ 28,248	\$ 27,621	\$ 30,207	\$ 29,476	\$ 173,325
Restricted	61,049	59,359	65,342	62,114	78,094	83,172	77,803	79,611	102,346	80,691
Committed	281,751	345,248	306,050	315,131	419,532	542,892	682,810	915,746	626,067	1,061,452
Assigned	-	-	-	-	-	-	-	-	13,900	13,788
Unassigned	(96,272)	(66,701)	(135,789)	(205,092)	(126,417)	(97,625)	(240,488)	(216,877)	33,005	91,775
<b>Total general fund</b>	<u>\$ 270,329</u>	<u>\$ 371,019</u>	<u>\$ 274,858</u>	<u>\$ 207,287</u>	<u>\$ 398,162</u>	<u>\$ 556,687</u>	<u>\$ 547,746</u>	<u>\$ 808,687</u>	<u>\$ 804,794</u>	<u>\$ 1,421,031</u>
<b>All Other Governmental Funds</b>										
Nonspendable	614,697	604,111	599,746	578,695	450,349	451,933	466,408	383,620	407,135	420,329
Restricted	276,666	324,473	597,389	544,993	736,953	768,709	663,103	567,340	623,144	625,264
Committed	212,311	245,888	235,265	232,070	278,740	341,572	309,070	483,352	481,282	499,633
<b>Total all other governmental funds</b>	<u>\$ 1,103,674</u>	<u>\$ 1,174,472</u>	<u>\$ 1,432,400</u>	<u>\$ 1,355,758</u>	<u>\$ 1,466,042</u>	<u>\$ 1,562,214</u>	<u>\$ 1,438,581</u>	<u>\$ 1,434,312</u>	<u>\$ 1,511,561</u>	<u>\$ 1,545,226</u>

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**Table 4 - Changes in Fund Balances of Governmental Funds**

Last Ten Fiscal Years, (Modified Accrual Basis of Accounting, Expressed in Thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Gaming taxes, fees, licenses	\$ 884,331	\$ 896,685	\$ 927,824	\$ 908,491	\$ 910,308	\$ 897,965	\$ 863,297	\$ 954,509	\$ 868,551	\$ 591,843
Sales taxes	965,060	1,024,624	1,081,735	1,161,893	1,214,113	1,282,745	1,337,930	1,465,518	1,493,718	1,671,351
Modified business taxes	369,661	386,610	384,886	411,914	561,778	575,233	581,844	640,375	642,603	597,144
Insurance premium taxes	236,787	248,512	263,532	292,665	309,113	358,482	394,263	422,512	450,739	487,866
Lodging taxes (d)	-	-	-	-	167,159	178,846	179,951	183,398	138,011	81,948
Cigarette taxes (d)	-	-	-	-	153,033	180,677	160,665	164,393	156,695	152,702
Commerce taxes (d)	-	-	-	-	143,508	197,827	201,927	226,770	204,984	221,958
Property and transfer taxes	215,649	215,211	209,784	219,189	238,192	247,939	277,987	284,615	294,656	346,408
Motor and special fuel taxes	267,181	269,232	269,543	277,305	289,909	299,426	316,780	327,475	315,659	332,713
Other taxes	657,138	685,948	692,192	835,552	584,055	660,972	615,172	613,304	609,580	746,563
Intergovernmental	3,335,558	3,340,627	3,552,327	4,518,221	4,996,931	5,224,501	5,374,516	5,737,984	5,772,283	7,538,363
Licenses, fees and permits	490,240	487,123	508,401	536,486	599,450	609,908	634,365	649,625	612,228	672,245
Sales and charges for services	85,211	87,595	90,322	105,241	109,063	108,994	107,089	114,041	107,050	103,663
Interest and investment income	22,599	23,496	25,397	22,082	24,017	15,372	38,050	98,424	101,192	77,077
Settlement income	40,291	147,071	40,120	39,788	39,370	40,427	43,232	63,672	40,437	86,534
Land sales	397	632	1,933	4,922	3,564	5,823	5,993	4,242	11,322	6,514
Other	160,921	151,708	83,277	112,395	92,587	146,874	93,446	99,995	104,524	140,918
<b>Total revenues</b>	<b>7,731,024</b>	<b>7,965,074</b>	<b>8,131,273</b>	<b>9,446,144</b>	<b>10,436,150</b>	<b>11,032,011</b>	<b>11,226,507</b>	<b>12,050,852</b>	<b>11,924,232</b>	<b>13,855,810</b>
<b>Expenditures</b>										
General government	134,889	143,135	112,757	153,682	158,394	172,687	212,231	243,159	237,928	466,006
Health and social services(c)	3,096,457	3,264,884	3,593,828	4,862,598	-	-	-	-	-	-
Health services (c)	-	-	-	-	3,535,984	3,948,549	4,132,568	4,397,083	4,269,161	4,801,544
Social services (c)	-	-	-	-	1,603,233	1,633,745	1,680,854	1,721,138	1,866,106	2,373,669
Education and support services (b)	53,959	53,119	30,845	-	-	-	-	-	-	-
Education - K-12 (b)	-	-	-	1,891,259	-	-	-	-	-	-
Education - K-12 state support (c)	-	-	-	-	1,460,123	1,478,773	1,612,584	1,595,968	1,803,605	1,701,099
Education - K-12 administrative (c)	-	-	-	-	524,747	589,012	562,281	607,032	638,316	691,552
Education - higher education (b)	-	-	-	610,543	562,901	594,760	663,045	705,841	717,812	635,865
Law, justice and public safety	604,364	595,649	622,066	633,559	688,616	712,895	754,994	783,464	823,663	792,286
Regulation of business	91,792	80,594	293,438	253,132	298,624	295,719	312,993	331,646	309,461	451,309
Transportation	846,335	578,231	452,821	635,049	816,275	946,857	994,227	925,475	768,336	839,631
Recreation and resource development	125,809	121,330	132,682	141,177	144,003	161,992	179,095	187,604	189,991	169,946
Intergovernmental (a)	2,569,693	2,592,985	2,638,028	-	-	-	-	-	-	-
Capital outlay	34,222	61,330	29,741	39,564	43,534	49,295	69,037	94,755	96,282	44,044
<b>Debt service:</b>										
Principal	171,004	163,889	166,021	199,845	383,842	165,543	167,409	166,523	176,228	198,599
Interest, fiscal charges	125,978	116,183	106,871	103,998	90,953	99,510	97,788	98,759	93,699	91,854
Debt issuance costs	1,795	1,901	2,282	1,941	3,584	1,761	1,680	531	646	3,037
Arbitrage payment	22	180	730	24	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>7,856,319</b>	<b>7,773,410</b>	<b>8,182,110</b>	<b>9,526,371</b>	<b>10,314,813</b>	<b>10,851,098</b>	<b>11,440,786</b>	<b>11,858,978</b>	<b>11,991,234</b>	<b>13,260,441</b>
Excess (deficiency) of revenues over (under) expenditures	(125,295)	191,664	(50,837)	(80,227)	121,337	180,913	(214,279)	191,874	(67,002)	595,369

**Table 4 - Changes in Fund Balances of Governmental Funds**

Last Ten Fiscal Years, (Modified Accrual Basis of Accounting, Expressed in Thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Other Financing Sources (Uses)</b>										
Sale of general obligation bonds	42,020	-	141,045	78,335	272,070	205,371	225,020	59,600	116,245	235,210
Sale of general obligation refunding bonds	243,080	353,470	4,125	213,270	347,253	12,107	3,490	-	43,925	13,375
Premium on general obligation bonds	40,530	52,780	21,012	54,686	114,212	24,749	17,573	4,458	19,687	33,654
Payment to refunded bond agent	(279,916)	(404,178)	(4,425)	(261,893)	(419,993)	(14,697)	(3,996)	-	(57,250)	(16,125)
Sale of certificates of participation	-	-	50,445	-	-	-	-	-	-	-
Sale of refunding certificates of participation	-	-	35,785	-	-	3,730	-	-	-	-
Premium (discount) on certificates of participation	-	-	2,794	-	-	-	-	-	-	-
Payment to refunded certificates of participation agent	-	-	(42,799)	-	-	(4,071)	-	-	-	-
Sale of capital assets	103	99	335	365	641	201	628	134	96	335
Transfers in	156,037	194,136	192,193	160,472	322,645	240,486	196,885	322,050	272,147	520,112
Transfers out	(159,081)	(216,483)	(187,907)	(309,220)	(457,006)	(389,318)	(335,087)	(321,041)	(254,493)	(509,077)
<b>Total other financing sources (uses)</b>	<b>42,773</b>	<b>(20,176)</b>	<b>212,603</b>	<b>(63,985)</b>	<b>179,822</b>	<b>78,558</b>	<b>104,513</b>	<b>65,201</b>	<b>140,357</b>	<b>277,484</b>
<b>Net change in fund balances</b>	<b>\$ (82,522)</b>	<b>\$ 171,488</b>	<b>\$ 161,766</b>	<b>\$ (144,212)</b>	<b>\$ 301,159</b>	<b>\$ 259,471</b>	<b>\$ (109,766)</b>	<b>\$ 257,075</b>	<b>\$ 73,355</b>	<b>\$ 872,853</b>
Total expenditures	\$ 7,856,319	\$ 7,773,410	\$ 8,182,110	\$ 9,526,371	\$ 10,314,813	\$ 10,851,098	\$ 11,440,786	\$ 11,858,978	\$ 11,991,234	\$ 13,260,441
Less: Capitalized assets included in the functional categories (e)	221,991	232,772	271,655	252,136	735,171	172,824	243,230	594,263	371,514	344,268
<b>Total noncapital expenditures</b>	<b>\$ 7,634,328</b>	<b>\$ 7,540,638</b>	<b>\$ 7,910,455</b>	<b>\$ 9,274,235</b>	<b>\$ 9,579,642</b>	<b>\$ 10,678,274</b>	<b>\$ 11,197,556</b>	<b>\$ 11,264,715</b>	<b>\$ 11,619,720</b>	<b>\$ 12,916,173</b>
<b>Debt service (principal and interest) as a percentage of noncapital expenditures</b>	<b>3.89 %</b>	<b>3.71 %</b>	<b>3.45 %</b>	<b>3.28 %</b>	<b>4.96 %</b>	<b>2.48 %</b>	<b>2.37 %</b>	<b>2.35 %</b>	<b>2.32 %</b>	<b>2.25 %</b>

- (a) Beginning with fiscal year 2015, intergovernmental expenditures are classified by functional expenditures.
- (b) Beginning with fiscal year 2015, educational expenditures are reported separately for K-12 and higher education.
- (c) Beginning with fiscal year 2016, health and social services expenditures are reported separately, and educational K-12 expenditures are reported separately for state support and for administrative.
- (d) Beginning with fiscal year 2016, lodging, cigarette and commerce taxes revenues are reported separately (previously included with other taxes).
- (e) Revised amount of 2019 capitalized assets included in the functional categories.

## Table 5 - Taxable Sales by County

Last Ten Fiscal Years, (Expressed in Thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Taxable Sales by County</b>										
Carson City	\$ 756,079	\$ 779,297	\$ 804,368	\$ 892,530	\$ 961,717	\$ 1,055,090	\$ 1,144,377	\$ 1,240,116	\$ 1,304,890	\$ 1,554,372
Churchill	320,188	387,570	252,675	283,497	282,998	309,285	354,371	460,506	351,133	425,134
Clark	31,080,881	32,566,665	35,040,892	37,497,074	39,242,730	40,888,477	42,569,372	45,901,464	43,834,782	47,523,974
Douglas	557,660	592,823	599,623	653,187	663,490	709,590	780,079	802,737	822,721	982,035
Elko	1,545,691	1,595,351	1,426,133	1,437,625	1,483,842	1,450,175	1,495,116	1,555,168	1,619,857	1,728,422
Esmeralda	20,399	19,806	16,826	18,193	15,315	14,461	13,726	20,582	23,019	30,251
Eureka	367,340	370,492	315,756	260,130	235,117	292,067	314,095	300,814	294,905	308,304
Humboldt	740,656	921,112	780,774	577,537	486,077	449,981	507,810	590,286	658,588	722,684
Lander	443,458	440,677	302,691	308,198	274,632	283,334	309,919	322,278	315,029	320,387
Lincoln	50,417	30,055	29,501	28,955	28,159	30,639	31,002	33,515	36,720	48,932
Lyon	346,511	305,525	356,890	396,525	380,805	456,071	490,415	605,862	687,126	755,084
Mineral	57,696	66,463	62,661	74,178	83,582	73,195	48,853	56,629	69,993	76,035
Nye	498,130	832,077	624,761	497,920	547,020	583,443	672,275	686,290	779,422	847,260
Pershing	106,443	96,442	94,633	82,473	91,181	113,424	118,014	119,288	148,128	264,976
Storey	70,859	77,729	108,434	246,041	240,804	1,609,711	1,275,451	718,439	825,949	737,381
Washoe	5,522,605	5,824,726	6,370,685	6,817,589	7,550,466	7,989,009	8,531,253	8,829,864	9,250,415	11,049,067
White Pine	469,737	296,598	253,042	275,884	220,360	239,789	291,695	317,188	343,005	330,500
<b>Total</b>	<b>\$ 42,954,750</b>	<b>\$ 45,203,408</b>	<b>\$ 47,440,345</b>	<b>\$ 50,347,536</b>	<b>\$ 52,788,295</b>	<b>\$ 56,547,741</b>	<b>\$ 58,947,823</b>	<b>\$ 62,561,026</b>	<b>\$ 61,365,682</b>	<b>\$ 67,704,798</b>

The State receives a portion of sales taxes at a rate of 2% on taxable sales.

**Source:** Department of Taxation

**Table 6 - Principal Sales Tax Payers by Business Type**

Current Year and Nine Years Ago, (Expressed in Thousands)

	Fiscal Year 2012			Fiscal Year 2021		
	Taxable Sales	Percentage of Total Taxable Sales	Tax Liability	Taxable Sales	Percentage of Total Taxable Sales	Tax Liability
<b>Business Type</b>						
Food services and drinking places	\$ 9,821,512	22.9%	\$ 196,430	\$ 9,481,395	14.0%	\$ 189,628
Motor vehicle and parts dealers	4,357,998	10.1%	87,160	8,423,590	12.4%	168,472
General merchandise stores	4,205,441	9.8%	84,109	5,687,165	8.4%	113,743
Merchant wholesalers, durable goods	2,904,370	6.8%	58,087	5,638,011	8.3%	112,760
Nonstore Retailers	407,869	0.9%	8,157	5,065,448	7.5%	101,309
Building material, garden equipment, supplies	1,542,993	3.6%	30,860	3,772,487	5.6%	75,450
Clothing and clothing accessories stores	3,560,278	8.3%	71,206	3,544,022	5.2%	70,880
Food and beverage stores	1,554,765	3.6%	31,095	2,295,835	3.4%	45,917
Rental and leasing services	1,394,163	3.2%	27,883	1,797,308	2.7%	35,946
Electronics	743,786	1.7%	14,876	2,195,529	3.2%	43,911
Total	<u>\$ 30,493,175</u>	<u>70.9%</u>	<u>\$ 609,863</u>	<u>\$ 47,900,790</u>	<u>70.7%</u>	<u>\$ 958,016</u>

**Source:** Department of Taxation**Note:** Due to confidentiality issues, the names of the ten largest revenue payers are not available.

The categories presented are intended to provide alternative information regarding the source of the State's revenue.



**Table 7 - Ratios of Outstanding Debt by Type**

Last Ten Fiscal Years, (Expressed in Thousands, Except for Per Capita)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental Activities</b>										
General obligation bonds	\$ 1,870,455	\$ 1,754,520	\$ 1,703,840	\$ 1,607,930	\$ 1,358,430	\$ 1,284,172	\$ 1,267,120	\$ 1,207,097	\$ 1,182,281	\$ 1,121,898
General obligation bonds-private placements (c)	-	-	-	-	-	-	2,310	1,175	-	-
Special obligation bonds	557,735	497,650	527,450	486,140	587,095	706,165	785,085	745,295	704,460	805,065
Premiums (discounts)	118,509	143,968	146,792	176,725	221,726	210,383	191,869	161,348	147,332	146,216
<b>Total bonds payable</b>	<b>2,546,699</b>	<b>2,396,138</b>	<b>2,378,082</b>	<b>2,270,795</b>	<b>2,167,251</b>	<b>2,200,720</b>	<b>2,246,384</b>	<b>2,114,915</b>	<b>2,034,073</b>	<b>2,073,179</b>
Certificates of participation	53,815	52,000	94,455	91,935	89,225	84,994	77,815	75,125	72,245	69,240
Certificates of participation-private placements (c)	-	-	-	-	-	-	3,014	2,662	2,303	1,932
Premiums (discounts)	492	339	2,956	2,720	1,491	1,048	646	315	39	(185)
<b>Total certificates of participation</b>	<b>54,307</b>	<b>52,339</b>	<b>97,411</b>	<b>94,655</b>	<b>90,716</b>	<b>86,042</b>	<b>81,475</b>	<b>78,102</b>	<b>74,587</b>	<b>70,987</b>
Obligations under capital leases	28,395	25,096	25,094	22,826	20,177	17,364	18,490	14,870	11,266	7,542
<b>Total governmental activities</b>	<b>2,629,401</b>	<b>2,473,573</b>	<b>2,500,587</b>	<b>2,388,276</b>	<b>2,278,144</b>	<b>2,304,126</b>	<b>2,346,349</b>	<b>2,207,887</b>	<b>2,119,926</b>	<b>2,151,708</b>
<b>Business-type Activities</b>										
General obligation bonds	101,680	90,720	83,025	73,370	69,480	60,103	60,430	48,963	74,124	62,687
Special obligation bonds	810,892	739,797	1,156,634	1,008,858	823,288	641,830	525,491	628,948	875,915	846,258
Premiums (discounts)	4,984	5,942	55,914	42,691	15,688	5,502	2,404	3,142	10,577	10,795
<b>Total business-type activities</b>	<b>917,556</b>	<b>836,459</b>	<b>1,295,573</b>	<b>1,124,919</b>	<b>908,456</b>	<b>707,435</b>	<b>588,325</b>	<b>681,053</b>	<b>960,616</b>	<b>919,740</b>
<b>Total primary government</b>	<b>\$ 3,546,957</b>	<b>\$ 3,310,032</b>	<b>\$ 3,796,160</b>	<b>\$ 3,513,195</b>	<b>\$ 3,186,600</b>	<b>\$ 3,011,561</b>	<b>\$ 2,934,674</b>	<b>\$ 2,888,940</b>	<b>\$ 3,080,542</b>	<b>\$ 3,071,448</b>
<b>Debt as a Percentage of Personal Income (a)</b>	<b>3.46 %</b>	<b>3.07 %</b>	<b>3.50 %</b>	<b>3.06 %</b>	<b>2.63 %</b>	<b>2.35 %</b>	<b>2.12 %</b>	<b>1.94 %</b>	<b>1.95 %</b>	<b>1.82 %</b>
<b>Amount of Debt per Capita (b)</b>	<b>\$ 1,305</b>	<b>\$ 1,201</b>	<b>\$ 1,361</b>	<b>\$ 1,238</b>	<b>\$ 1,102</b>	<b>\$ 1,024</b>	<b>\$ 979</b>	<b>\$ 952</b>	<b>\$ 1,000</b>	<b>\$ 979</b>

**Notes:** Details regarding the State's debt can be found in the notes to the financial statements.

See Table 11 for personal income and population data.

Debt as a Percentage of Personal Income is based on prior year Personal Income.

Amount of Debt per Capita is based on prior year Population.

(a) Revised percentages for 2013 through 2015.

(b) Revised amounts for 2014 and 2015.

(c) Beginning in 2018, Private Placement bonds and certificates of participation are presented separately to comply with GASB 88.

**Table 8 - Ratios of General Bonded Debt Outstanding**

Last Ten Fiscal Years, (Expressed in Thousands, Except for Per Capita)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental Activities</b>										
General obligation bonds	\$ 1,870,455	\$ 1,754,520	\$ 1,703,840	\$ 1,607,930	\$ 1,358,430	\$ 1,284,172	\$ 1,269,430	\$ 1,207,097	\$ 1,182,281	\$ 1,121,898
General obligation bonds-private placements (c)	-	-	-	-	-	-	-	1,175	-	-
Premiums (discounts)	86,292	96,909	92,714	129,441	132,082	116,221	101,377	83,941	81,863	75,353
<b>Subtotal</b>	<b>1,956,747</b>	<b>1,851,429</b>	<b>1,796,554</b>	<b>1,737,371</b>	<b>1,490,512</b>	<b>1,400,393</b>	<b>1,370,807</b>	<b>1,292,213</b>	<b>1,264,144</b>	<b>1,197,251</b>
Certificates of participation	6,935	5,920	4,855	3,730	2,550	1,305	-	-	-	-
Premiums (discounts)	492	394	295	197	36	9	-	-	-	-
<b>Subtotal</b>	<b>7,427</b>	<b>6,314</b>	<b>5,150</b>	<b>3,927</b>	<b>2,586</b>	<b>1,314</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Business-type Activities</b>										
General obligation bonds	101,680	90,720	83,025	73,370	69,480	60,103	60,430	48,963	74,124	62,687
Premiums (discounts)	4,870	5,853	5,091	4,209	2,671	1,837	2,012	1,292	6,252	5,286
<b>Subtotal</b>	<b>106,550</b>	<b>96,573</b>	<b>88,116</b>	<b>77,579</b>	<b>72,151</b>	<b>61,940</b>	<b>62,442</b>	<b>50,255</b>	<b>80,376</b>	<b>67,973</b>
<b>Total general bonded debt</b>	<b>\$ 2,070,724</b>	<b>\$ 1,954,316</b>	<b>\$ 1,889,820</b>	<b>\$ 1,818,877</b>	<b>\$ 1,565,249</b>	<b>\$ 1,463,647</b>	<b>\$ 1,433,249</b>	<b>\$ 1,342,468</b>	<b>\$ 1,344,520</b>	<b>\$ 1,265,224</b>
<b>Actual Taxable Property Value</b>	<b>\$ 264,391,220</b>	<b>\$ 234,900,598</b>	<b>\$ 239,048,328</b>	<b>\$ 260,130,702</b>	<b>\$ 283,624,300</b>	<b>\$ 302,376,818</b>	<b>\$ 342,368,616</b>	<b>\$ 371,687,673</b>	<b>\$ 371,687,673</b>	<b>\$ 399,304,263</b>
<b>Percentage of Actual Taxable Value of Property (b)</b>	<b>0.84 %</b>	<b>0.83 %</b>	<b>0.79 %</b>	<b>0.70 %</b>	<b>0.55 %</b>	<b>0.48 %</b>	<b>0.42 %</b>	<b>0.36 %</b>	<b>0.36 %</b>	<b>0.32 %</b>
<b>Debt per Capita (a)(b)</b>	<b>\$ 762</b>	<b>\$ 709</b>	<b>\$ 677</b>	<b>\$ 641</b>	<b>\$ 541</b>	<b>\$ 498</b>	<b>\$ 478</b>	<b>\$ 442</b>	<b>\$ 437</b>	<b>\$ 403</b>

**Note:** Details regarding the State's outstanding debt can be found in the notes to the financial statements.

Only the general obligation certificates of participation subject to the debt limitation are included above.

(a) See Table 11 for population data.

(b) Revised for fiscal years 2012 through 2014 to exclude special obligation bonds.

(c) Revised 2019 Special obligation bonds to Premiums (discounts) and added General obligation bonds-private placements in 2020.

## Table 9 - Legal Debt Margin Information

Last Ten Fiscal Years, (Expressed in Thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 1,671,513	\$ 1,701,164	\$ 1,854,550	\$ 2,028,293	\$ 2,166,631	\$ 2,294,555	\$ 2,467,971	\$ 2,682,567	\$ 2,886,475	\$ 3,024,394
Total debt applicable to limit	1,293,386	1,178,185	1,151,010	1,127,220	1,082,845	1,034,015	1,025,895	988,260	981,760	945,445
<b>Legal debt margin</b>	<u>\$ 378,127</u>	<u>\$ 522,979</u>	<u>\$ 703,540</u>	<u>\$ 901,073</u>	<u>\$ 1,083,786</u>	<u>\$ 1,260,540</u>	<u>\$ 1,442,076</u>	<u>\$ 1,694,307</u>	<u>\$ 1,904,715</u>	<u>\$ 2,078,949</u>
<b>Legal debt margin as a percentage of the debt limit</b>	22.62 %	30.74 %	37.94 %	44.43 %	50.02 %	54.94 %	58.43 %	63.16 %	65.99 %	68.74 %

### Computation of Legal Debt Margin at June 30, 2021:

<b>Assessed value of taxable property at June 30, 2021 (a)</b>		\$ 151,219,709
Debt limitation (2% of assessed value)		\$ 3,024,394
General Obligation Bonds subject to limit	\$ 945,445	
Certificates of participation	69,240	
<i>Less obligations exempt from debt margin:</i>		
Lease revenue certificates of participation	(69,240)	
Debt subject to debt limitation		(945,445)
<b>Legal debt margin at June 30, 2021</b>		<u>\$ 2,078,949</u>

#### Note:

(a) On June 30 of each year, the most current assessed value available is the assessed value used for calculating and assessing taxes for the following fiscal year. Therefore, the debt limitation as of June 30 of each year is calculated using the assessed value for the following fiscal year. For purposes of this computation, assessed valuation includes 35% of actual taxable property value, plus statewide redevelopment agency assessed values.

## Table 10 - Pledged Revenue Coverage

Last Ten Fiscal Years, (Expressed in Thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Highway Improvement Revenue Bonds</b>										
Revenue - fuel taxes	\$ 264,369	\$ 266,564	\$ 266,872	\$ 274,838	\$ 287,571	\$ 294,091	\$ 305,781	\$ 310,844	\$ 296,393	\$ 323,718
<i>Debt Service</i>										
Principal	\$ 50,835	\$ 53,300	\$ 56,220	\$ 41,310	\$ 45,600	\$ 48,595	\$ 46,985	\$ 39,790	\$ 40,835	\$ 42,875
Interest (f)	28,450	25,011	22,422	24,345	20,252	31,325	31,495	34,627	32,751	33,888
<b>Total</b>	<b>\$ 79,285</b>	<b>\$ 78,311</b>	<b>\$ 78,642</b>	<b>\$ 65,655</b>	<b>\$ 65,852</b>	<b>\$ 79,920</b>	<b>\$ 78,480</b>	<b>\$ 74,417</b>	<b>\$ 73,586</b>	<b>\$ 76,763</b>
Coverage (c)	3.33	3.40	3.39	4.19	4.37	3.68	3.90	4.18	4.03	4.22
<b>Unemployment Compensation Bonds</b>										
Revenue - special bond contributions	\$ -	\$ -	\$ 58,003	\$ 191,548	\$ 152,837	\$ 197,230	\$ 35,285	\$ -	\$ -	\$ -
<i>Debt service</i>										
Principal	\$ -	\$ -	\$ -	\$ 138,590	\$ 131,165	\$ 151,100	\$ 128,045	\$ -	\$ -	\$ -
Interest	-	-	13,644	23,360	18,881	12,381	3,201	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,644</b>	<b>\$ 161,950</b>	<b>\$ 150,046</b>	<b>\$ 163,481</b>	<b>\$ 131,246</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Coverage (c)	N/A	N/A	4.25	1.18	1.02	1.21	0.27	N/A	N/A	N/A
<b>Mortgage Revenue Bonds</b>										
Revenue (a)	\$ 109,194	\$ 83,366	\$ 100,729	\$ 58,737	\$ 78,571	\$ 72,727	\$ 138,354	\$ 121,838	\$ 64,965	\$ 127,488
Expenses (b)	15,751	8,867	9,481	4,043	9,674	3,471	3,434	2,976	5,520	3,770
<b>Net available revenues</b>	<b>\$ 93,443</b>	<b>\$ 74,499</b>	<b>\$ 91,248</b>	<b>\$ 54,694</b>	<b>\$ 68,897</b>	<b>\$ 69,256</b>	<b>\$ 134,920</b>	<b>\$ 118,862</b>	<b>\$ 59,445</b>	<b>\$ 123,718</b>
<i>Debt service</i>										
Principal (d)	\$ 157,962	\$ 71,095	\$ 151,432	\$ 80,745	\$ 71,337	\$ 101,485	\$ 124,888	\$ 117,907	\$ 45,890	\$ 214,935
Interest	26,444	23,226	17,882	15,149	13,298	13,258	15,619	20,339	28,870	27,783
<b>Total</b>	<b>\$ 184,406</b>	<b>\$ 94,321</b>	<b>\$ 169,314</b>	<b>\$ 95,894</b>	<b>\$ 84,635</b>	<b>\$ 114,743</b>	<b>\$ 140,507</b>	<b>\$ 138,246</b>	<b>\$ 74,760</b>	<b>\$ 242,718</b>
Coverage (c)	0.51	0.79	0.54	0.57	0.81	0.60	0.96	0.86	0.80	0.51
<b>Lease Revenue Certificates of Participation</b>										
Revenue - lease rent (net)	\$ 2,878	\$ 2,972	\$ 4,098	\$ 2,996	\$ 4,335	\$ 5,190	\$ 6,719	\$ 6,753	\$ 6,839	\$ 6,809
Assets - held by the trustee (e)	4,709	4,558	46,902	12,442	1,736	35	-	-	-	-
<b>Total</b>	<b>\$ 7,587</b>	<b>\$ 7,530</b>	<b>\$ 51,000</b>	<b>\$ 15,438</b>	<b>\$ 6,071</b>	<b>\$ 5,225</b>	<b>\$ 6,719</b>	<b>\$ 6,753</b>	<b>\$ 6,839</b>	<b>\$ 6,809</b>
<i>Debt Service</i>										
Principal	\$ 695	\$ 800	\$ 1,795	\$ 1,395	\$ 1,530	\$ 2,721	\$ 2,860	\$ 3,042	\$ 3,239	\$ 3,376
Interest	2,188	2,163	3,418	4,128	4,084	3,915	3,839	3,722	3,597	3,463
<b>Total</b>	<b>\$ 2,883</b>	<b>\$ 2,963</b>	<b>\$ 5,213</b>	<b>\$ 5,523</b>	<b>\$ 5,614</b>	<b>\$ 6,636</b>	<b>\$ 6,699</b>	<b>\$ 6,764</b>	<b>\$ 6,836</b>	<b>\$ 6,839</b>
Coverage (c)	2.63	2.54	9.78	2.80	1.08	0.79	1.00	1.00	1.00	1.00

**Notes:** Details regarding the State's outstanding debt can be found in the notes to the financial statements.

(a) Consists of interest and investment income and principal collections of the Housing Division Enterprise Fund.

(b) Consists of operating expenses less interest expense and depreciation.

(c) Coverage equals net available revenues divided by total debt service.

(d) Revised figure for 2020.

(e) Assets - held by the trustee are the combination of additional lease rent, investment income, and bond proceeds.

(f) Principal paid on highway improvement revenue bonds is updated for years 2012 and 2013 to exclude the par amount of bonds refunded.

**Table 11 - Demographic and Economic Statistics**

Last Ten Calendar Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Population</b>										
Nevada (a)	2,718,586	2,754,874	2,790,366	2,838,281	2,890,845	2,940,058	2,998,039	3,034,392	3,080,156	3,138,259
Percentage change	0.6 %	1.3 %	1.3 %	1.7 %	1.9 %	1.7 %	2.0 %	1.2 %	1.5 %	1.9 %
United States (a)	311,721,632	314,102,623	316,427,395	318,907,401	321,418,820	323,127,513	325,719,178	327,167,434	328,239,523	329,484,123
Percentage change	0.8 %	0.8 %	0.7 %	0.8 %	0.8 %	0.5 %	0.8 %	0.4 %	0.3 %	0.4 %
<b>Total Personal Income</b>										
Nevada (in millions) (a)	\$ 102,612	\$ 107,930	\$ 108,504	\$ 114,923	\$ 121,096	\$ 128,090	\$ 138,386	\$ 149,219	\$ 157,584	\$ 168,587
Percentage change	3.6 %	5.2 %	0.5 %	5.9 %	5.4 %	5.8 %	8.0 %	7.8 %	5.6 %	7.0 %
United States (in millions) (a)	\$ 13,233,436	\$ 13,904,485	\$ 14,068,960	\$ 14,801,624	\$ 15,463,981	\$ 15,912,777	\$ 16,820,250	\$ 17,813,035	\$ 18,542,262	\$ 19,607,447
Percentage change	6.6 %	5.1 %	1.2 %	5.2 %	4.5 %	2.9 %	5.7 %	5.9 %	4.1 %	5.7 %
<b>Per Capita Personal Income</b>										
Nevada (a)	\$ 37,745	\$ 39,178	\$ 38,885	\$ 40,490	\$ 41,889	\$ 43,567	\$ 46,159	\$ 49,176	\$ 51,161	\$ 53,270
Percentage change	3.0 %	3.8 %	(0.7)%	4.1 %	3.5 %	4.0 %	5.9 %	6.5 %	4.0 %	5.0 %
United States (a)	\$ 42,453	\$ 44,267	\$ 44,462	\$ 46,414	\$ 48,112	\$ 49,246	\$ 51,640	\$ 54,446	\$ 56,490	\$ 59,510
Percentage change	5.8 %	4.3 %	0.4 %	4.4 %	3.7 %	2.4 %	4.9 %	5.4 %	3.8 %	5.3 %
<b>Labor Force and Employment</b>										
Nevada Labor Force (c)	1,385,872	1,378,876	1,372,862	1,393,639	1,425,711	1,427,114	1,462,955	1,500,377	1,562,016	1,501,397
Unemployed (c)	187,732	152,468	135,071	107,856	96,159	81,106	73,583	68,418	64,245	232,481
Unemployment Rate (b)	13.5 %	11.1 %	9.8 %	7.7 %	6.7 %	5.7 %	5.0 %	4.6 %	4.1 %	15.5 %
United States Labor Force	153,617,000	154,975,000	155,389,000	155,922,000	157,130,000	159,187,000	160,320,000	162,075,000	164,120,000	160,883,000
Unemployed	13,747,000	12,506,000	11,460,000	9,617,000	8,296,000	7,751,000	6,982,000	6,314,000	6,292,000	18,072,000
Unemployment Rate (b)	8.9 %	8.1 %	7.4 %	6.2 %	5.3 %	4.9 %	4.4 %	3.9 %	3.8 %	11.2 %

**Sources:** U.S. Department of Commerce, Bureau of Economic Analysis; Nevada Department of Employment, Training, and Rehabilitation**Note:** Total personal income is composed of wages and salaries, proprietors' income, personal interest and dividend income, rental income, and personal current transfer receipts, less contributions for government social insurance. Per capita personal income is calculated by dividing total personal income by population.

(a) Revised estimates for 2012 through 2014.

(b) Revised percentage for 2015.

(c) Revised estimates for 2019.

**Table 12 - Principal Industries**

Current Year and Nine Years Ago

	Calendar Year 2011		Calendar Year 2020	
	Employees	Percentage of Total State Employment	Employees	Percentage of Total State Employment
<b>Industry:</b>				
Farm employment	5,368	0.36%	5,184	0.30%
Forestry, fishing, and related activities	1,686	0.11%	1,860	0.11%
Mining, quarrying, and oil and gas extraction	18,018	1.20%	17,676	1.03%
Utilities	4,346	0.29%	4,424	0.26%
Construction	68,320	4.55%	112,754	6.58%
Manufacturing	42,571	2.84%	61,576	3.60%
Wholesale trade	37,627	2.51%	41,634	2.43%
Retail trade	155,180	10.33%	170,290	9.94%
Transportation and warehousing	56,069	3.73%	117,099	6.84%
Information	17,615	1.17%	18,619	1.09%
Finance and insurance	87,206	5.81%	88,888	5.19%
Real estate, rental and leasing	95,627	6.37%	97,732	5.70%
Professional, scientific, and technical services	81,850	5.45%	103,018	6.01%
Management of companies and enterprises	21,401	1.42%	30,679	1.79%
Administrative and waste management services	100,631	6.70%	122,813	7.17%
Educational services	13,991	0.93%	19,311	1.13%
Health care and social assistance	113,017	7.53%	152,356	8.89%
Arts, entertainment and recreation	48,739	3.24%	46,022	2.69%
Accommodation and food services	296,930	19.77%	242,133	14.13%
Other services	69,108	4.60%	81,987	4.79%
Federal government, civilian	17,744	1.18%	20,985	1.22%
Military	17,848	1.19%	19,762	1.15%
State government	35,185	2.34%	36,084	2.11%
Local government	95,762	6.38%	100,161	5.85%
<b>Total</b>	<b>1,501,839</b>	<b>100.00%</b>	<b>1,713,047</b>	<b>100.00%</b>

**Sources:** US Department of Commerce, Bureau of Economic Analysis**Note:** Due to confidentiality issues, the names of the ten principal employers are not available. The categories presented are intended to provide alternative information regarding the concentration of employment in various business sectors.

**Table 13 - School Enrollment**

Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Public School Enrollment (a)</b>										
Primary (Pre-K - 6)	240,851	244,559	249,015	253,267	258,617	261,450	269,370	272,831	272,128	255,369
Secondary (7 - 12) (b)	199,610	202,319	202,788	209,639	208,910	212,245	223,046	225,785	228,732	231,264
<b>Total</b>	<b>440,461</b>	<b>446,878</b>	<b>451,803</b>	<b>462,906</b>	<b>467,527</b>	<b>473,695</b>	<b>492,416</b>	<b>498,616</b>	<b>500,860</b>	<b>486,633</b>
<b>Public Higher Education Enrollment (c)</b>										
University of Nevada, Reno	13,583	13,721	14,468	15,762	16,916	16,745	17,291	17,194	16,899	16,137
University of Nevada, Las Vegas	18,580	18,499	19,269	20,301	21,352	21,963	22,514	22,484	22,875	23,090
Nevada State College	2,062	2,102	2,174	2,264	2,264	2,390	2,804	3,088	3,382	3,881
College of Southern Nevada	20,363	19,128	18,546	18,883	18,183	18,227	18,139	18,493	18,846	16,754
Great Basin College	1,742	1,659	1,717	1,728	1,835	1,881	1,824	2,069	2,187	2,244
Truckee Meadows Community College	6,351	6,339	6,166	6,098	6,196	5,851	5,740	5,760	5,852	5,380
Western Nevada College	2,358	2,240	2,157	2,229	2,213	2,047	2,138	1,928	2,105	1,976
<b>Total</b>	<b>65,039</b>	<b>63,688</b>	<b>64,497</b>	<b>67,265</b>	<b>68,959</b>	<b>69,104</b>	<b>70,450</b>	<b>71,016</b>	<b>72,146</b>	<b>69,462</b>

**Sources:** Nevada Department of Education and Nevada System of Higher Education

(a) Enrollment figures have been realigned to match fiscal year and restated for 2012 through 2018. The data of 2020 is revised in 2021.

(b) Secondary also includes 5th year seniors, adult education, home schooled, and special education beyond 12th grade.

(c) Enrollment figures have been realigned to match fiscal year and restated for 2012 through 2018 using the Annual Average Full-Time Equivalent Enrollment report.

**Table 14 - Full-time Equivalent State Government Employees by Function**

Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Function</b>										
General government	1,445	1,548	1,539	1,633	1,624	1,753	1,739	1,853	1,854	1,863
Health and social services (a)	5,937	5,925	6,239	6,394	-	-	-	-	-	-
Health services	-	-	-	-	1,786	1,720	1,754	1,754	1,770	1,699
Social services	-	-	-	-	4,805	4,856	4,859	4,859	4,871	4,702
Education - K-12 administrative	8,015	7,663	8,380	8,647	9,096	10,593	10,968	11,285	10,245	10,263
Law, justice and public safety	5,760	5,838	5,831	5,846	5,993	6,030	6,546	6,511	6,842	6,498
Regulation of business	1,284	1,289	1,363	1,338	1,440	1,480	1,440	1,440	1,393	1,343
Transportation	1,797	1,776	1,770	1,793	1,759	1,795	1,805	1,805	1,685	1,627
Recreation and resource development	1,134	1,145	1,181	1,169	1,213	1,203	1,249	1,249	1,202	1,188
<b>Total</b>	<b>25,372</b>	<b>25,184</b>	<b>26,303</b>	<b>26,820</b>	<b>27,716</b>	<b>29,430</b>	<b>30,360</b>	<b>30,756</b>	<b>29,862</b>	<b>29,183</b>

**Sources:** Nevada Department of Administration, Nevada System of Higher Education and Legislative Counsel Bureau

(a) Beginning in 2016, health and social services are presented separately, as health services and social services.



**Table 15 - Operating Indicators by Function**

Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Government</b>										
<i>Department of Taxation</i>										
Number of sales and use tax audits (r)	950	1,461	1,198	1,176	1,279	1,491	1,430	1,416	1,123	N/A
<i>Public Employees Benefits Program</i>										
Number of plan participants	40,615	40,176	40,635	41,449	42,259	43,158	43,711	44,574	44,886	43,980
Generic drug utilization (b)	78 %	80 %	81 %	82 %	81 %	81 %	82 %	82 %	86 %	87 %
<i>Department of Administration</i>										
Square feet of non-state owned space leased (major urban areas)	1,408,617	1,511,207	1,526,579	1,606,012	1,614,381	1,713,599	1,754,521	1,770,012	1,790,013	1,764,894
Job applications processed (f)	88,394	101,062	81,916	85,578	98,104	73,001	76,789	75,376	66,097	70,435
<i>Nevada State Library and Archives</i>										
Volumes (excludes documents and microfilm)	86,231	87,942	89,785	91,497	93,429	95,611	96,132	81,563	70,689	61,422
Government publications (U.S. and Nevada) (d)	854,727	862,764	864,898	869,670	871,764	877,330	877,823	869,012	860,956	859,843
<b>Health and Social Services</b>										
<i>Aging and Disability Services Division</i>										
Average monthly number of Developmental Services clients	5,550	5,694	5,865	6,184	6,433	6,643	6,881	7,143	7,341	7,388
<i>Health Care Financing &amp; Policy</i>										
Nevada Medicaid - average monthly eligibles	303,214	315,434	392,315	558,787	608,246	637,780	654,936	653,694	656,258	770,343
NV Check-Up Program - average monthly enrollment	21,296	21,132	21,771	22,606	22,630	25,699	27,300	27,487	27,043	26,411
<i>Division of Public and Behavioral Health</i>										
Women, Infants and Children Program participants (FFY)	896,465	884,946	874,462	860,468	839,845	793,782	749,365	692,708	701,291	680,708
Average monthly number of Mental Health clients (p)	14,058	14,414	14,238	13,585	11,281	9,866	9,142	8,812	8,227	6,658
Average monthly number of Mental Health inpatients (p)	209	221	277	301	498	517	509	485	468	401
<i>Division of Welfare and Supportive Services</i>										
Average monthly number of TANF recipients	29,331	28,837	32,239	31,928	26,717	24,537	25,744	22,364	20,973	16,833
Average monthly number of SNAP (Food Stamp) recipients	352,156	358,611	375,506	411,447	438,330	440,485	440,694	427,534	433,024	464,587
Percent of current child support owed that is collected (FFY) (g)	56 %	58 %	60 %	62 %	64 %	66 %	67 %	69 %	67 %	N/A %
TANF recipient children receiving child care (s)	19,883	18,742	20,122	23,346	19,434	25,408	30,000	27,261	23,975	15,192
Non-TANF children receiving child care (s)	67,955	43,215	39,309	44,725	59,739	67,825	75,846	98,935	101,024	66,063
Applications for energy assistance received (s)	38,643	36,764	41,190	40,726	41,448	36,186	35,452	33,907	32,888	29,564
Households served with energy assistance (s)	20,484	26,008	24,348	27,370	26,936	26,452	24,704	22,407	21,563	19,365

**Table 15 - Operating Indicators by Function**

Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Education and Support Services</b>										
<i>Nevada Department of Education (a)</i>										
Percent of occupational education students receiving a diploma (q)	75 %	70 %	85 %	74 %	84 %	85 %	91 %	93 %	94 %	N/A %
Number of special education students receiving a high school diploma	725	677	745	799	884	1,849	1,949	2,301	2,463	2,330
<b>Law, Justice, and Public Safety</b>										
<i>The Supreme Court of Nevada</i>										
Cases filed (c)	2,406	2,362	2,426	2,351	2,533	2,718	3,021	2,526	1,970	N/A
Cases disposed (c)	2,248	2,392	2,582	2,663	2,387	1,594	1,639	1,846	1,654	N/A
Number of opinions written (c)	71	104	99	105	97	109	96	63	85	N/A
<i>Nevada Department of Corrections</i>										
Total admissions	5,818	5,666	5,749	5,937	6,286	6,413	6,432	6,342	5,365	4,007
Total releases	5,678	5,614	5,672	5,750	5,576	6,285	6,764	6,664	6,462	5,391
In-house population at year-end	12,564	12,665	12,824	12,999	13,685	13,768	13,426	13,453	12,300	10,874
<i>Department of Public Safety, Highway Patrol Division</i>										
Total number of DUI arrests (e)	3,286	3,177	2,977	3,156	3,095	2,825	2,932	3,644	3,207	3,540
Total number of safety inspections (e)	27,492	28,737	25,923	33,570	31,752	31,473	34,140	30,382	28,273	30,866
<i>Department of Motor Vehicles</i>										
Motor vehicle registrations	2,119,167	2,190,660	2,259,552	2,326,319	23,985,762	2,469,307	2,534,636	2,604,126	2,428,338	2,633,888
<b>Regulation of Business</b>										
<i>Nevada Department of Agriculture</i>										
Number of meals served in the Children & Adult Food Care Program eligible for free and reduced lunch (o)	4,592,266	4,724,529	4,800,386	4,527,435	4,600,171	5,864,600	6,473,857	4,732,827	5,246,819	3,359,958
Percent of K-12 students participating in the Nat'l School Lunch Program eligible for free and reduced lunch (b) (l)	52 %	54 %	54 %	54 %	58 %	56 %	56 %	58 %	62 %	62 %
<i>Nevada Gaming Commission</i>										
Licenses issued & active at fiscal year-end	2,859	2,933	2,981	2,961	2,929	2,921	2,895	2,966	2,912	2,924
Licensed devices at fiscal year-end:										
Table and counter games (j)	5,887	5,676	5,731	5,818	5,700	5,643	5,494	5,423	3,971	4,889
Card games (j)	1,016	902	848	871	799	772	739	719	257	497
Slots (i)	184,150	179,776	176,073	174,548	169,723	165,880	164,413	163,612	128,091	142,201
<i>Department of Business and Industry</i>										
Units of affordable housing produced (b)	592	727	1,117	848	1,019	946	811	752	988	1,830
Taxicab Authority notices of violation issued (k)	3,128	4,419	3,306	3,672	4,385	3,124	1,673	1,024	616	493
Taxicab Authority vehicle inspections made (k)	7,693	6,849	7,374	9,210	9,589	6,343	2,275	2,770	2,422	4,478
Number of worksite safety & health inspections	1,322	1,272	1,659	1,131	1,424	1,211	956	953	806	805
Number of boiler and elevator inspections	14,890	14,564	13,061	12,306	15,884	18,049	22,779	25,405	22,937	21,212
Insurance license and renewal applications processed (b) (l)	42,748	41,382	47,995	51,006	53,652	55,024	60,424	64,216	67,122	85,050
<i>Governor's Office of Economic Development (h)</i>										
Number of projects requesting Community Development Block Grants (h)	42	35	40	36	32	40	37	21	17	22
Number of projects funded (h)	31	27	24	20	14	19	14	15	16	14

**Table 15 - Operating Indicators by Function**

Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Transportation</b>										
<i>Nevada Department of Transportation</i>										
Miles of highways - rural	4,750	4,726	4,726	4,735	4,735	4,419	4,428	4,420	4,424	4,424
Miles of highways - urban	633	654	667	662	663	715	718	708	685	684
<b>Recreation and Resource Development</b>										
<i>Commission on Tourism</i>										
Visitors guide digital demand and hardcopy shipments (n)	222,197	162,117	31,998	23,542	42,913	39,804	39,547	25,669	38,949	38,579
TravelNevada.com website sessions (m)	2,422,893	1,249,030	1,226,380	708,795	864,412	1,001,634	1,357,559	1,728,151	2,205,981	2,488,207
<i>Department of Conservation and Natural Resources</i>										
Percent of human caused wildland fires in NDF's jurisdiction investigated	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %
Number of State Park users (i)	3,093,257	3,046,049	2,999,315	3,028,859	3,408,821	3,533,396	3,415,630	3,750,369	3,963,231	4,447,511

N/A = not available

**Sources:** Nevada Departments of Taxation, Administration, Health and Human Services, Education, Agriculture, Corrections, Motor Vehicles, Public Safety, Transportation, Business and Industry, Conservation and Natural Resources; Supreme Court of Nevada; Nevada Gaming Commission and Control Board; Public Employees Benefit Program; State of Nevada Executive Budgets.

**Notes:**

- (a) See table 13 for public school enrollment.
- (b) The Executive Budget is prepared biennially, and actual figures are only available for the base year (even numbered years). Base year figures have been used for odd numbered years in this table.
- (c) Data based on calendar year and the data of 2019 and 2020 are revised in 2021.
- (d) Nevada Library and Archives deselected California Government Publications in 2019.
- (e) Revised figures for 2012.
- (f) Combined between the old system (NEATS) and the new system (Success Factors) in 2021.
- (g) Revised figures for 2019 and 2020.
- (h) Governor's Office of Economic Development moved under Regulation of Business in 2017.
- (i) Revised figure for 2016.
- (j) Revised description beginning in 2017.
- (k) Beginning June 2017 inspections were reduced from 4 to 1 annually.
- (l) Revised figures for 2014 and 2017.
- (m) Beginning 2020, this metric includes digital views and downloads of the visitors guide from TravelNevada.com, which was not included in previous years.
- (n) The number of 2020 is revised in 2021 by the source agency.
- (o) The number of 2020 is revised in 2021 by the source agency. The significant decrease of meals from 2020 to 2021 was due to a drop in DCH providers and centers.
- (p) The numbers in 2021 are down due to COVID.
- (q) The data of 2021 is not available due to COVID-19 related shutdowns and the exams were not administered or halted early.
- (r) The data is one year behind. Revised for 2019 and 2020.
- (s) In 2021, COVID Health Emergency had an impact on the EAP applications while other federal funds provided additional options for individuals to meet their needs such as expanded unemployment benefits and county level housing funds.

**Table 16 - Capital Asset Statistics by Function**

Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Government</b>										
State owned office space (square feet)	219,927	215,416	213,896	213,896	213,896	216,731	231,884	231,884	231,884	200,184
Vehicles (motor pool)	775	777	865	909	1,046	1,059	1,162	1,128	1,231	1,194
<b>Health and Social Services</b>										
State owned office space (square feet)	64,506	68,648	68,648	68,648	68,648	65,880	57,492	57,492	57,492	57,392
Mental health centers	5	5	5	5	5	4	4	4	4	4
Veterans' home	1	1	1	1	1	2	2	2	2	2
Youth correctional centers	2	2	3	3	3	3	3	3	3	3
Vehicles (a)	183	167	155	147	145	133	123	111	110	128
<b>Education and Support Services</b>										
State owned office space (square feet)	28,200	28,200	28,200	28,200	28,200	28,200	26,937	26,937	26,937	27,025
Number of State museums	7	7	7	7	7	7	7	7	7	7
State library	1	1	1	1	1	1	1	1	1	1
<b>Law, Justice and Public Safety</b>										
State owned office space (square feet)	645,775	645,322	645,322	645,322	645,322	643,134	649,409	649,409	649,409	656,823
Supreme Court building	1	1	1	1	1	1	1	1	1	1
Department of Corrections facilities	19	19	19	19	19	19	19	19	19	16
Vehicles (a)	1,191	1,118	1,128	1,088	1,066	931	964	986	980	1,169
<b>Regulation of Business</b>										
State owned office space (square feet)	102,478	102,245	103,765	103,765	103,765	109,710	71,369	71,369	71,369	71,369
Vehicles (a)	253	242	259	249	262	251	253	228	228	162
<b>Transportation</b>										
State owned office space (square feet)	273,327	308,532	308,532	337,094	337,094	339,190	339,190	357,993	366,499	439,966
NDOT lane miles	13,368	13,613	13,622	13,628	13,708	13,083	14,083	13,463	13,505	13,501
NDOT bridges	1,116	1,101	1,154	1,164	1,164	1,165	1,208	1,229	1,221	1,238
NDOT vehicles	628	633	631	639	639	674	673	671	695	710
NDOT heavy equipment	1,943	1,931	1,918	1,926	1,926	1,926	1,932	1,979	2,019	2,016
NDOT maintenance stations (staffed)	42	42	44	44	44	44	44	45	45	45
<b>Recreation and Resource Development</b>										
State owned office space (square feet)	142,140	143,150	143,150	143,150	143,150	139,326	123,022	123,022	123,022	152,779
Number of State Parks	24	24	23	23	23	23	24	27	28	28
Acres of State Parks	145,745	145,760	146,225	146,225	148,625	148,625	158,440	158,440	158,440	158,440
Number of Fish Hatcheries	4	4	4	4	4	4	4	4	4	4
Wildlife Management Areas	11	11	11	11	11	11	11	11	11	11
Acres of Wildlife Management Areas	120,254	121,086	119,212	119,212	119,212	119,212	125,414	125,414	124,225	124,225
Vehicles (a)	797	790	826	850	810	779	785	750	748	840

**Sources:** Nevada Attorney General's Office, Nevada Departments of Administration, Conservation and Natural Resources, Tourism and Cultural Affairs, Health & Human Services, Transportation, and Wildlife

(a) Beginning in the fiscal year 2021, no longer exclude offroad vehicles, such as trailers, golf carts, snowmobiles, and unregistered heavy equipment, etc.

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# COMPLIANCE ACTION



**Independent Auditor's Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

The Honorable Catherine Byrne, CPA  
State Controller  
Carson City, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nevada, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the State of Nevada's basic financial statements, and have issued our report thereon dated June 10, 2022. Our report includes a reference to other auditors who audited the financial statements of the following, as described in our report on the State of Nevada's financial statements:

- Nevada System of Higher Education, a discretely presented component unit
- Colorado River Commission, a discretely presented component unit
- Pension and Other Employee Benefits Trust Funds, a fiduciary fund
- Retirement Benefits Investment Fund, a fiduciary investment trust fund
- Vanguard, SSGA, USAA, and Putnam Nevada College Savings Plans, a part of the private-purpose trust fiduciary fund
- Self-Insurance, an internal service fund
- Insurance Premiums, an internal service fund
- Printing, an internal service fund
- Legislative and Contingency, a part of the general fund

This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by some of those auditors. The financial statements of the Pension Trust Funds, the Insurance Premiums Internal Service Fund and the Retirement Benefits Investment Fund were not audited in accordance with *Government Auditing Standards*.

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Our report qualifies the opinion on the government-wide governmental activities, general fund, and the highway fund because the State was unable to determine an amount that should have been recorded for donated personal protective equipment inventory at the beginning of the year or stockpile inventory at both the beginning and end of the year.

#### **Internal Control over Financial Reporting**

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

*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. We consider the deficiencies described in the accompanying schedule of findings and responses as Findings 2021-001 through 2021-008 and 2021-010 through 2021-017 to be material weaknesses.

*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. We consider the deficiency described in the accompanying schedule of findings and responses as Finding 2021-009 to be a significant deficiency.

#### **Compliance and Other Matters**

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

#### **The State of Nevada's Response to Findings**

The State of Nevada's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The State of Nevada's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.



**Purpose of this Report**

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

A handwritten signature in black ink that reads "Erik Bailly LLP". The signature is written in a cursive, flowing style.

Reno, Nevada  
June 10, 2022

**STATE OF NEVADA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2021**

***Findings Relating to the Financial Statements Reported in Accordance with GAGAS:***

**2021-001: Unemployment Due from Federal Government  
Material Weakness**

<i>Criteria:</i>	Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Accurate reconciliation of federal cash on hand balances and related returns and refunds is a key component of internal control.
<i>Condition:</i>	Unemployment benefits paid by the Federal government were overdrawn.
<i>Cause:</i>	The Department of Employment, Training, and Rehabilitation (DETR) did not have adequate internal controls to provide for the reconciliation of federal cash on hand balances, ACH returns, and refunds to ensure the correct amounts from the Federal government were requested.
<i>Effect:</i>	A prior period adjustment of \$65,495,019 was recognized to reduce the amounts receivable from the Federal government in the prior year and \$52,850,558 was noted as overdrawn as of June 30, 2021.
<i>Recommendation:</i>	We recommend DETR enhance internal controls to provide for the reconciliation of federal cash on hand balances, ACH returns, and refunds to ensure the correct amounts from the Federal government are requested.
<i>Views of Responsible Officials:</i>	Management agrees with this finding.

**STATE OF NEVADA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2021**

***Findings Relating to the Financial Statements Reported in Accordance with GAGAS:***

**2021-002: Unemployment Accounts receivable  
Material Weakness**

<i>Criteria:</i>	Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Accurate reconciliation of accounts receivable and receipt of appropriate receivable information are key components of internal control.
<i>Condition:</i>	<p>Certain accounts receivable for overpayments and the related allowance for doubtful accounts required adjustment to report the balances in accordance with U.S. GAAP.</p> <p>In addition, certain accounts receivable aging information is not available for employer assessments to allow for appropriate, detailed analysis of the allowance for doubtful accounts.</p>
<i>Cause:</i>	The Department of Employment, Training, and Rehabilitation (DETR) did not have adequate internal controls or information available to provide for the appropriate analysis of outstanding accounts receivable and related allowance for doubtful accounts.
<i>Effect:</i>	Prior to adjustment, net accounts receivable was overstated by \$130,665,612. In addition, these amounts had an estimated federal impact of \$101,295,272 which reduced the estimated amount payable to the federal government.
<i>Recommendation:</i>	We recommend DETR enhance internal controls and generate information to provide for the appropriate analysis of outstanding accounts receivable and related allowance for doubtful accounts.
<i>Views of Responsible Officials:</i>	Management agrees with this finding.

**STATE OF NEVADA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2021**

***Findings Relating to the Financial Statements Reported in Accordance with GAGAS:***

**2021-003: Unemployment Revenue and Expense Accrual Adjustments  
Material Weakness**

<i>Criteria:</i>	Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Accurate opening balances and reversal of prior year accrual entries are key components of internal control.
<i>Condition:</i>	Federal revenues and benefits expenses were not accurately reported on an accrual basis.
<i>Cause:</i>	The State of Nevada did not have adequate internal controls to ensure prior year closing balances were accurately reflected in the current year opening balances, which caused prior year amounts to be reversed inaccurately in the current year.
<i>Effect:</i>	Prior to adjustment, federal revenue and benefits expense were both overstated \$370,233,231.
<i>Recommendation:</i>	We recommend the State of Nevada enhance internal controls to ensure closing balances are accurately reflected in the opening balances of the next fiscal year.
<i>Views of Responsible Officials:</i>	Management agrees with this finding.

**STATE OF NEVADA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2021**

***Findings Relating to the Financial Statements Reported in Accordance with GAGAS:***

**2021-004:      Cash – Monthly Bank Reconciliation  
Material Weakness**

<i>Criteria:</i>	Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Properly reconciling bank accounts in a timely and accurate manner is a key component of effective internal control over financial reporting. In addition, review and approval of the reconciliation is a key component of effective internal control over financial reporting.
<i>Condition:</i>	<p>The June 30, 2021 bank reconciliation for the outside bank accounts includes an unexplained variance of \$7,802,169 between the book balance and the bank balance.</p> <p>The March 31, 2021 bank reconciliation for the outside bank accounts includes an unexplained variance of \$12,520,497 between the book balance and the bank balance.</p> <p>The December 31, 2020 bank reconciliation for the outside bank accounts includes an unexplained variance of \$7,228,069 between the book balance and the bank balance.</p> <p>The October 31, 2020 bank reconciliation for the outside bank accounts includes an unexplained variance of \$6,816,714 between the book balance and the bank balance.</p> <p>In addition, there was no evidence of review and approval (segregation of duties) on any of the four bank reconciliations noted above.</p>
<i>Cause:</i>	Internal controls in place did not ensure bank reconciliation variances were reviewed, researched, and resolved in a timely manner.
<i>Effect:</i>	The cash balance recorded in the State of Nevada's general ledger may be incorrect.
<i>Recommendation:</i>	We recommend the Controller's Office enhance internal controls to ensure the bank reconciliation variances are reviewed, researched, and resolved in a timely manner.
<i>Views of Responsible Officials:</i>	Management agrees with this finding.

**STATE OF NEVADA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2021**

***Findings Relating to the Financial Statements Reported in Accordance with GAGAS:***

**2021-005:      Cash and Investments – Classification and Disclosures  
Material Weakness**

<i>Criteria:</i>	Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Proper classification of cash and investment balances and accuracy of disclosures is necessary for the preparation of financial statements in accordance with U.S. GAAP and key components of effective internal control over financial reporting.
<i>Condition:</i>	Restricted cash balances, related to unspent bond proceeds, were not appropriately presented in the financial statements and cash and investment disclosures were not accurate.
<i>Cause:</i>	The State of Nevada Controller’s Office did not have adequate internal controls to ensure appropriate classification of unspent bond proceeds and accuracy of cash and investment disclosures.
<i>Effect:</i>	<p>Prior to adjustment, restricted cash balances for unspent bond proceeds were understated by \$174,195,712.</p> <p>The cash and investment disclosures in Note 3 required the following updates:</p> <ul style="list-style-type: none"><li>▪ Money market mutual funds totaling \$646,343,260 were duplicated in both deposits and investment balances.</li><li>▪ Investment maturities were originally understated by \$4,319,432,000</li><li>▪ Quality ratings were originally overstated by \$58,336,000</li><li>▪ Fair value balances were originally overstated by \$277,121,000</li><li>▪ Various other adjustments were required for classifications of securities, disclosures on net asset value and discretely presented component units.</li></ul>
<i>Recommendation:</i>	We recommend the Controller’s Office enhance internal controls to ensure appropriate classification of unspent bond proceeds and accuracy of investment disclosures.
<i>Views of Responsible Officials:</i>	Management agrees with this finding.

**STATE OF NEVADA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2021**

***Findings Relating to the Financial Statements Reported in Accordance with GAGAS:***

**2021-006:      Housing Division Fund – Cash and Investments  
Material Weakness**

<i>Criteria:</i>	Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Proper reconciliation and recording of cash and investments is a key component of effective internal control over financial reporting.
<i>Condition:</i>	Cash and investments were not appropriately stated in the Housing Division Fund.
<i>Cause:</i>	The Housing Division issued separately audited financial statements that the State of Nevada Controller's Office uses and partially relies on. A variance was noted between the Controller's Office's records and the separately audited financial statements. The Controller's Office did not have adequate internal controls to investigate the cause of the variance to ensure appropriate reconciliation and recording of cash and investments.
<i>Effect:</i>	Prior to adjustment, cash and investment balances, as well as accounts payable, in the Housing Division Enterprise Fund were understated by \$18,086,711.
<i>Recommendation:</i>	We recommend the Controller's Office enhance internal controls to investigate variances from its records to amounts reported in separately audited and issued financial statements.
<i>Views of Responsible Officials:</i>	Management agrees with this finding.

**STATE OF NEVADA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2021**

***Findings Relating to the Financial Statements Reported in Accordance with GAGAS:***

**2021-007: Highway Fund – Inventory Balance  
Material Weakness**

<i>Criteria:</i>	Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Proper recording of inventory is a key component of effective internal control over financial reporting.
<i>Condition:</i>	Physical inventory counts are performed during the months of April through June each year; however, inventory reports used to record the inventory balance stockpile by locations throughout the State of Nevada did not agree to the balance recorded by the Nevada Department of Transportation (NDOT). In addition, during our audit procedures the invoices provided to support inventory pricing significantly varied from the unit prices used in the inventory balance. Unit prices could not be verified for stockpile related items.
<i>Cause:</i>	The State of Nevada Department of Transportation (NDOT) did not have internal controls to ensure its stockpile inventory was appropriately quantified or valued. Stockpile amounts reported in inventory are not adequately reviewed for reasonableness and accuracy.
<i>Effect:</i>	The effect cannot be quantified as there were insufficient records in place to reasonably estimate the year-end inventory balance.
<i>Recommendation:</i>	We recommend NDOT implement internal controls, which includes a review of stockpile quantities and prices, to ensure its stockpile inventory is appropriately valued.
<i>Views of Responsible Officials:</i>	Management agrees with this finding.



**STATE OF NEVADA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2021**

***Findings Relating to the Financial Statements Reported in Accordance with GAGAS:***

**2021-008: Capital Assets – CIP, Infrastructure, and Rights-of-way Material Weakness**

<i>Criteria:</i>	Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Proper recording of changes to construction in progress, infrastructure, and rights of way is a key component of effective internal control over financial reporting.
<i>Condition:</i>	Some assets were double counted and included in infrastructure and construction in progress. Moreover, some additions to infrastructure and rights-of-way assets were already recorded in the prior year. Lastly, some additions were recorded in the current year, which should have been recorded in the prior year.
<i>Cause:</i>	The State of Nevada Department of Transportation (NDOT) did not have adequate internal controls to properly roll-forward and reconcile capital asset balances. Review of on-going and completed projects was not adequate to ensure assets were removed from construction in progress when completed and the project roll-forward was accurate and consistent (assets not duplicated between years).
<i>Effect:</i>	<p>The following errors were noted:</p> <ul style="list-style-type: none"><li>▪ \$133,775,285 of infrastructure and rights-of-way were included in the current year, that were already completed and recognized in the prior year.</li><li>▪ \$100,604,611 of construction in progress was duplicated with amounts recorded in infrastructure and rights-of-way.</li><li>▪ \$10,378,856 of current year construction in progress that should have been recorded in the prior year.</li><li>▪ \$23,800,594 reduction of current year construction in progress as it should not have been recorded in the prior year.</li></ul>
<i>Recommendation:</i>	We recommend NDOT enhance internal controls to properly roll-forward and reconcile capital assets. These internal controls should include a review of on-going and completed projects for accuracy and to avoid duplication of assets.
<i>Views of Responsible Officials:</i>	Management agrees with this finding.

**STATE OF NEVADA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2021**

***Findings Relating to the Financial Statements Reported in Accordance with GAGAS:***

**2021-009: Highway Fund – Accounts Receivable and Deferred Inflows  
Significant Deficiency**

<i>Criteria:</i>	Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Proper reconciliation and recording of accounts receivable and deferred inflows of resources is a key component of effective internal control over financial reporting.
<i>Condition:</i>	Amounts billed and collected after June 30, 2021, which related to the fiscal year for motor carrier fuel and registration fees were not accurately reported.
<i>Cause:</i>	The Nevada Department of Motor Vehicles (DMV) did not have adequate internal controls to properly summarize and report subsequent collections of motor carrier fuel and registration fees.
<i>Effect:</i>	Accounts receivable and deferred inflows of resources were both overstated by \$2,934,591.
<i>Recommendation:</i>	We recommend the DMV enhance internal controls to properly summarize and report subsequent collections of motor carrier fuel and registration fees.
<i>Views of Responsible Officials:</i>	Management agrees with this finding.

**STATE OF NEVADA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2021**

***Findings Relating to the Financial Statements Reported in Accordance with GAGAS:***

**2021-010:      General Fund – Federal Grant Revenue  
Material Weakness**

<i>Criteria:</i>	Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Proper recording of revenue is a key component of effective internal control over financial reporting.
<i>Condition:</i>	Revenue was recognized for a federal grant prior to meeting the requirements of the grant, such as in the incurrence of allowable costs.
<i>Cause:</i>	The State of Nevada Housing Division did not have adequate internal controls to ensure federal grant revenue was recognized only once all requirements were met.
<i>Effect:</i>	Revenue related to federal grants was overstated and unearned revenue was understated by \$51,608,087 in the General Fund.
<i>Recommendation:</i>	We recommend the Housing Division enhance internal controls to ensure federal grant revenue is recognized only once all requirements are met.
<i>Views of Responsible Officials:</i>	Management agrees with this finding.

**STATE OF NEVADA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2021**

***Findings Relating to the Financial Statements Reported in Accordance with GAGAS:***

**2021-011:      Medicaid and CHIP Estimated Receivables and Liabilities  
Material Weakness**

*Criteria:* Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Properly calculating and valuing significant estimates in a timely and accurate manner is a key component of effective internal control over financial reporting.

*Condition:* Estimates for Medicaid and Children Health Insurance Program (CHIP) incurred but not reported (or processed) claims and related amounts due from the federal government were not reasonable.

*Cause:* The Medicaid and CHIP estimates were calculated using reports from the Medicaid Management Information System (MMIS). However, the reports were run prior to significant data being captured in the system (in early August rather than in October or November) both in the current and prior year. These estimates are developed using subsequent claims and payments, of at a minimum at least 60-120 days after year end, to ensure accuracy and precision.

The State of Nevada Division of Health Care Financing and Policy did not have adequate internal controls to develop the Medicaid and CHIP claim estimates using appropriate data and assumptions.

*Effect:* Prior to adjustment, the following errors were noted for Medicaid and CHIP related amounts:

- Receivables were understated by \$74,604,849
- Unavailable revenues were overstated by \$52,697,879
- Liabilities were understated by \$107,071,335
- Revenues were understated by \$43,443,361
- Expenses were understated by \$11,023,361
- Beginning fund balance was overstated by \$12,188,607

*Recommendation:* We recommend the Division of Health Care Financing and Policy enhance internal controls to develop the Medicaid and CHIP claim estimates using appropriate data and assumptions. Reports from the MMIS should be developed using significant, relevant data and through the correct time period.

*Views of Responsible Officials:* Management agrees with this finding.

**STATE OF NEVADA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2021**

***Findings Relating to the Financial Statements Reported in Accordance with GAGAS:***

**2021-012:      Prescription Rebate Allowance for Doubtful Accounts  
Material Weakness**

<i>Criteria:</i>	Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Having a policy and calculation methodology that considers historical information and currently known facts and circumstances in the development of an allowance for doubtful accounts is a key component of effective internal control over financial reporting.
<i>Condition:</i>	The allowance for doubtful accounts in relation to prescription rebates was calculated using a standard policy (applied to all receivables) without regard to historical collection rates or currently known facts and circumstances specific to prescription rebates.
<i>Cause:</i>	The Nevada Division of Health Care Financing and Policy did not have adequate internal controls to ensure its allowance for doubtful accounts policy was appropriate for prescription rebates.
<i>Effect:</i>	The allowance for doubtful accounts was overstated (receivables understated) by approximately \$16,000,000.
<i>Recommendation:</i>	We recommend the Division of Health Care Financing and Policy enhance internal controls to ensure its allowance for doubtful accounts policy is appropriate for prescription rebates.
<i>Views of Responsible Officials:</i>	Management agrees with this finding.

**STATE OF NEVADA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2021**

***Findings Relating to the Financial Statements Reported in Accordance with GAGAS:***

**2021-013:      Medicaid and CHIP Expenses and Accounts Payable  
Material Weakness**

<i>Criteria:</i>	Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Ensuring expenses are recorded in the appropriate time period is a key component of effective internal control over financial reporting.
<i>Condition:</i>	Certain payments for Medicaid and Children Health Insurance Program (CHIP) claims were not recorded in the appropriate fiscal year.
<i>Cause:</i>	The Nevada Division of Health Care Financing and Policy did not have adequate internal controls to ensure Medicaid and CHIP capitation claims and disproportionate share hospital (DSH) payments were recorded in the proper period.
<i>Effect:</i>	A prior period adjustment was required for \$252,740,971 in the General Fund for capitation claims that were recorded in fiscal year 2021 that should have been recorded in fiscal year 2020. In addition, \$11,331,575 in DSH payments were also recorded in fiscal year 2021 that should have been recorded in fiscal year 2020.
<i>Recommendation:</i>	We recommend the Division of Health Care Financing and Policy enhance internal controls to ensure Medicaid and CHIP capitation claims and DSH payments are recorded in the proper period.
<i>Views of Responsible Officials:</i>	Management agrees with this finding.

**STATE OF NEVADA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2021**

***Findings Relating to the Financial Statements Reported in Accordance with GAGAS:***

**2021-014: Internal Balances - Due To/From and  
Transfers Material Weakness**

*Criteria:* Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Proper reconciliation and presentation of internal balances and activity, such as due to/from component units and interfund transfers is a key component of effective internal control over financial reporting.

*Condition:* Interfund transfers were reported at net and not reported at gross, as required. In addition, amounts recorded as due to component units and amounts due from the primary government did not agree with each other and were not appropriately recorded.

*Cause:* The State of Nevada Controller's Office did not have adequate internal controls to ensure internal balances and activity were appropriately communicated, recorded, and reported.

*Effect:* Prior to adjustment, the following errors were noted:

General Fund

Overstatement of Due From Other Funds by \$24,701,943  
Overstatement of Due To Other Funds by \$24,701,943  
Understatement of Transfers In by \$29,462,161  
Overstatement of Intergovernmental Revenue by \$29,462,161

Highway Fund

Overstatement of Due From Other Funds by \$24,701,943  
Overstatement of Due To Other Funds by \$24,701,943

Consolidated Bond Interest and Redemption Fund

Understatement of Transfers In by \$419,924  
Overstatement of Intergovernmental Revenue by \$419,924

CIP University System Fund

Overstatement of Due To Component Unit by \$2,778,699  
Overstatement of Interest and Investment Income by \$536,786  
Understatement of Transfers Out by \$29,882,085  
Understatement of Education Expenses by \$69,559,670  
Understatement of Transfers In by \$60,779,438  
Understatement of Beginning Fund Balance by \$41,977,801

**STATE OF NEVADA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2021**

***Findings Relating to the Financial Statements Reported in Accordance with GAGAS:***

CIP Bond Proceeds Fund

Overstated Education Expenses by \$60,779,438

Understated Transfers Out by \$60,779,438

Discretely Presented Component Unit

Overstatement of Due From Primary Government by

\$30,026,699

Understatement of Accounts Receivable by \$2,778,699

Understatement of Payments From State by \$131,155,801

Overstatement of Beginning Net Position by \$158,403,801

***Recommendation:***

We recommend the Controller's Office enhance internal controls to ensure internal balances and activity are appropriately communicated, recorded, and reported.

***Views of Responsible Officials:***

Management agrees with this finding.



**STATE OF NEVADA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2021**

***Findings Relating to the Financial Statements Reported in Accordance with GAGAS:***

**2021-015:      Net Position - Net Investment in Capital  
Assets Material Weakness**

<i>Criteria:</i>	Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Proper calculation and reconciliation of the components of net position is a key component of effective internal control over financial reporting.
<i>Condition:</i>	Net Investment in Capital Assets was not calculated correctly due to capital asset related deferred charges on refunding being excluded from the calculation.
<i>Cause:</i>	The State of Nevada Controller's Office identified capital asset related deferred charges on refunding. However, the Controller's Office did not have adequate internal controls to ensure the amounts identified were included in the calculation of Net Investment in Capital Assets.
<i>Effect:</i>	An inappropriate calculation method could potentially lead to a material misstatement of the components and classification of net position. The misstatement was \$17,617,914 for an understatement in Net Investment in Capital Assets and overstatement in Unrestricted Net Position.
<i>Recommendation:</i>	We recommend the Controller's Office enhance internal controls to ensure capital asset related deferred charges on refunding are included in the calculation of Net Investment in Capital Assets.
<i>Views of Responsible Officials:</i>	Management agrees with this finding.

**STATE OF NEVADA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2021**

***Findings Relating to the Financial Statements Reported in Accordance with GAGAS:***

**2021-016: Highway Fund – Developer Deposits  
Material Weakness**

<i>Criteria:</i>	Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Proper recording of revenue is a key component of effective internal control over financial reporting.
<i>Condition:</i>	Developer deposits were recognized as revenue before they were earned.
<i>Cause:</i>	The State of Nevada Department of Transportation did not have adequate internal controls to ensure developer deposits were recognized as revenue only when they were non-refundable to the developer.
<i>Effect:</i>	Revenue related to developer deposits was recognized improperly in the prior year for \$1,000,000. Refunds were made in the current year and as a result, beginning fund balance is overstated by \$1,000,000 and current year revenue is understated by \$1,000,000.
<i>Recommendation:</i>	We recommend the Department of Transportation enhance internal controls to ensure developer deposits are recognized as revenue only when they are non-refundable to the developer.
<i>Views of Responsible Officials:</i>	Management agrees with this finding.

**STATE OF NEVADA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2021**

***Findings Relating to the Financial Statements Reported in Accordance with GAGAS:***

**2021-017: Overall Control Environment and Control Activities  
Material Weakness**

<i>Criteria:</i>	Management is responsible for establishing and maintaining an effective system of internal control over financial reporting.
<i>Condition:</i>	Analysis, review, and reconciliation of financial reporting information received by the Controller's Office from the various state agencies is not operating effectively.
<i>Cause:</i>	Financial reporting information received from the various state agencies is frequently misstated or otherwise in error. However, the State of Nevada Controller's Office does not have adequate internal controls to effectively analyze, review, and reconcile this information. In some cases, information is compiled for financial reporting rather than analyzed and reviewed for material error.
<i>Effect:</i>	<p>Materially misstated information is compiled and recorded for financial reporting. As a result, our audit procedures identified adjustments for:</p> <ul style="list-style-type: none"><li>▪ Cash and Investments</li><li>▪ Accounts Receivable</li><li>▪ Inventory</li><li>▪ Capital Assets</li><li>▪ Accounts Payable</li><li>▪ Unearned Revenue</li><li>▪ Unavailable Revenue</li><li>▪ Internal Balances (Receivables, Payables, and Transfers)</li><li>▪ Revenue</li><li>▪ Expenses</li><li>▪ Fund Balance/Net Position</li></ul>
<i>Recommendation:</i>	We recommend the Controller's Office enhance internal controls to effectively analyze, review, and reconcile information received from the various state agencies.
<i>Views of Responsible Officials:</i>	Management agrees with this finding.