

\$23,215,000
NEVADA SYSTEM OF HIGHER EDUCATION
UNIVERSITIES REVENUE REFUNDING BONDS
SERIES 2026



NEW ISSUE
BOOK-ENTRY ONLY

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

In the opinion of Taft Stettinius & Hollister LLP, Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the 2026 Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the 2026 Bonds (the "Tax Code") and interest on the 2026 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b) of the Tax Code; however, to the extent such interest is included in calculating the "adjusted financial statement income" of "applicable corporations" (as defined in Sections 56A and 59(k), respectively, of the Tax Code), such interest is subject to the alternative minimum tax applicable to those corporations under Section 55(b) of the Tax Code. See "TAX MATTERS – Federal Tax Matters."

\$23,215,000
NEVADA SYSTEM OF HIGHER EDUCATION
UNIVERSITIES REVENUE REFUNDING BONDS
SERIES 2026

Dated: Date of Delivery

Due: July 1, as shown herein

The 2026 Bonds are issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. The 2026 Bonds initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), securities depository for the 2026 Bonds. Purchases of the 2026 Bonds are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the 2026 Bonds. See "THE 2026 BONDS – Book-Entry Only System." The 2026 Bonds bear interest at the rates set forth herein, payable semiannually on January 1 and July 1 of each year, beginning July 1, 2026, to and including the maturity dates shown herein (unless the 2026 Bonds are redeemed earlier), by check or draft mailed to the registered owner of the 2026 Bonds, initially Cede & Co. The principal of the 2026 Bonds will be payable upon presentation and surrender at the operations office of U.S. Bank Trust Company, National Association, Phoenix, Arizona, or its successor as the paying agent for the 2026 Bonds. See "THE 2026 BONDS."

The maturity schedule for the 2026 Bonds is set forth on the inside cover page of this Official Statement.

The 2026 Bonds are not subject to optional or mandatory sinking fund redemption prior to maturity.

Proceeds of the 2026 Bonds will be used to (i) refund certain of the System's outstanding obligations; and (ii) pay the costs of issuing the 2026 Bonds. See "SOURCES AND USES OF FUNDS."

The 2026 Bonds are special obligations of the System payable solely from, and secured by a pledge of and a prior lien upon: (i) certain student fees, (ii) net revenues from student housing and dining facilities, parking facilities and special event facilities at the University of Nevada, Las Vegas, (iii) net revenues from student housing and dining facilities and parking facilities at the University of Nevada, Reno, and (iv) all grants, conditional or unconditional, from the United States of America, the State of Nevada (the "State") or any other donor which are specifically designated for the payment of the 2026 Bonds (collectively, the "Net Pledged Revenues") as described herein. The lien of the 2026 Bonds on the Net Pledged Revenues is on a parity with certain outstanding bonds of the System, as described herein, and any additional bonds issued in the future designated as parity obligations. See "INTRODUCTION – Security" and "SECURITY FOR THE 2026 BONDS." **The 2026 Bonds do not constitute a debt of the State or a debt or an indebtedness of the System within the meaning of any constitutional or statutory provision or limitation and shall not be considered to be a general obligation of the System or the State. The System has no taxing power.**

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

The 2026 Bonds are offered when, as, and if issued by the System, subject to the approval of the 2026 Bonds by Taft Stettinius & Hollister LLP, Reno and Las Vegas, Nevada, Bond Counsel, and the satisfaction of certain other conditions. Taft Stettinius & Hollister LLP, also has acted as special counsel to the System in connection with this Official Statement. It is expected that the 2026 Bonds will be available for delivery through the facilities of DTC on or about April 23, 2026.

Official Statement dated April 1, 2026.

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

\$23,215,000
NEVADA SYSTEM OF HIGHER EDUCATION
UNIVERSITIES REVENUE REFUNDING BONDS
SERIES 2026

<u>Maturing</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP©</u> <u>Issue</u> <u>Number</u>
2027	\$2,425,000	5.000%	2.490%	US1
2028	2,550,000	5.000	2.540	UT9
2029	2,680,000	5.000	2.630	UU6
2030	2,815,000	5.000	2.740	UV4
2031	2,955,000	5.000	2.850	UW2
2032	3,105,000	5.000	2.970	UX0
2033	3,260,000	5.000	3.020	UY8
2034	3,425,000	5.000	3.120	UZ5

USE OF INFORMATION IN THIS OFFICIAL STATEMENT

This Official Statement, which includes the cover page, the inside cover page and the appendices, does not constitute an offer to sell or the solicitation of an offer to buy any of the 2026 Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation, or sale. No dealer, salesperson, or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the 2026 Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by the System. The System maintains an internet website; however, the information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the 2026 Bonds.

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

The information, estimates, and expressions of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the 2026 Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the System, or in the information, estimates, or opinions set forth herein, since the date of this Official Statement.

This Official Statement has been prepared only in connection with the original offering of the 2026 Bonds and may not be reproduced or used in whole or in part for any other purpose.

The 2026 Bonds have not been registered with the Securities and Exchange Commission in reliance upon certain exemptions contained in the Securities Act of 1933, as amended. The 2026 Bonds have not been recommended by any federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this document.

THE PRICES AT WHICH THE 2026 BONDS ARE OFFERED TO THE PUBLIC BY THE INITIAL PURCHASER OF THE 2026 BONDS (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS APPEARING ON THE INSIDE COVER PAGE HEREOF. IN ADDITION, THE INITIAL PURCHASER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS. IN ORDER TO FACILITATE DISTRIBUTION OF THE 2026 BONDS, THE INITIAL PURCHASER MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICE OF THE 2026 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

NEVADA SYSTEM OF HIGHER EDUCATION

BOARD OF REGENTS

Byron Brooks, Chair
Stephanie Goodman, Vice Chair

Joseph C. Arrascada	Carol Del Carlo
Aaron Bautista	Jeffrey S. Downs, PhD
Patrick J. Boylan	Carlos D. Fernandez
Susan Brager	Pete Goicoechea
Heather Brown	Jennifer J. McGrath
Amy J. Carvalho	

ADMINISTRATIVE OFFICERS

Chancellor: Matt McNair, J.D.
Vice Chancellor of Budget and Finance & Chief Financial Officer: Chris Viton¹
Vice Chancellor for Academic and Student Affairs: Daniel Archer
Vice Chancellor and Chief General Counsel: James Martines
Chief of Staff: Keri D. Nikolajewski

President, UNR: Brian Sandoval, J.D.
Interim President, UNLV: Dr. Chris L. Heavy
Vice President for Administration and Finance, UNR: Andrew Clinger
Interim Vice President for Business Affairs and Chief Financial Officer, UNLV: Elise Bunkowski¹

BOND AND SPECIAL COUNSEL

Taft Stettinius & Hollister LLP
Las Vegas and Reno, Nevada

MUNICIPAL ADVISOR

JNA Consulting Group, LLC
Boulder City, Nevada

PAYING AGENT, REGISTRAR AND ESCROW AGENT

U.S. Bank Trust Company, National Association
Phoenix, Arizona

¹ Effective March 23, 2026, Mr. Viton transitioned from his role as NSHE's Vice Chancellor of Budget and Finance & Chief Financial Officer to a new role as UNLV's Vice President for Business Affairs and Chief Financial Officer. On March 16, 2026, NSHE named Brody Leiser as its new Vice Chancellor of Budget and Chief Financial Officer.

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OFFICIAL STATEMENT

\$23,215,000

NEVADA SYSTEM OF HIGHER EDUCATION UNIVERSITIES REVENUE REFUNDING BONDS SERIES 2026

INTRODUCTION

General

This Official Statement, which includes the cover page, the inside cover page and the appendices, provides information concerning the Nevada System of Higher Education (the “System”), its \$23,215,000 Nevada System of Higher Education, Universities Revenue Refunding Bonds, Series 2026 (the “2026 Bonds”). The Official Statement also includes certain information concerning the University of Nevada, Reno (“UNR”), the University of Nevada, Las Vegas (“UNLV”) (collectively, UNR and UNLV are referred to as the “Universities”), and the State of Nevada (the “State” or “Nevada”). The 2026 Bonds will be issued pursuant to a resolution (the “Bond Resolution”) adopted by the Board of Regents of the System (the “Board”) on March 6, 2026.

The offering of the 2026 Bonds is made only by way of this Official Statement, which supersedes any other information or materials used in connection with the offer or sale of the 2026 Bonds. The following introductory material is only a brief description of and is qualified by the more complete information contained throughout this Official Statement. A full review should be made of the entire Official Statement and the documents summarized or described herein, particularly the section entitled “CERTAIN RISK FACTORS.” Detachment or other use of this “INTRODUCTION” without the entire Official Statement, including the cover page, the inside cover page and appendices, is unauthorized. Unless otherwise provided, capitalized terms used herein are defined in Appendix C hereto.

The Issuer

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

Purpose

Proceeds of the 2026 Bonds will be used to: (i) refund certain of the System’s outstanding obligations (the “Refunding Project”); and (ii) pay the costs of issuing the 2026 Bonds.

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

Authority for Issuance

The 2026 Bonds will be issued pursuant to the Bond Resolution and under authority granted by Nevada Revised Statutes (“NRS”) Sections 396.809 through 396.885 (the “Bond Act”), and by Chapter 501, Statutes of Nevada 1991, as amended by Chapter 93, Statutes of Nevada 1995, as amended by SB 584, Statutes of Nevada 2001, as further amended by SB 413, Statutes of Nevada 2003, as further amended by chapter 297, Statutes of Nevada 2005, as further amended by SB 455, Statutes of Nevada 2007, as further amended by chapter 307, Statutes of Nevada 2009, as further amended by chapter 179, Statutes of Nevada 2011 (collectively, the “Project Act”).

The 2026 Bonds; No Prior Redemption

The 2026 Bonds are issued solely as fully registered bond certificates in the denomination of \$5,000, or any integral multiple thereof. The 2026 Bonds are dated, mature and bear interest (calculated based on a 360-day year consisting of twelve 30-day months) as set forth on the cover page and inside cover page of this Official Statement. The payment of principal of and interest on the 2026 Bonds is described in “THE 2026 BONDS – Payment Provisions.” The 2026 Bonds initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), the securities depository for the 2026 Bonds. Purchases of the 2026 Bonds are to be made in book-entry form only. Purchasers will not receive bond certificates representing their beneficial ownership interest in the 2026 Bonds. See “THE 2026 BONDS – Book-Entry Only System.”

The 2026 Bonds are not subject to optional or mandatory sinking fund redemption prior to maturity.

Security

Special Limited Obligations. The 2026 Bonds are special, limited obligations of the System payable solely from certain “Net Pledged Revenues” described in the following paragraph. The 2026 Bonds do not constitute a debt or an indebtedness of the System within the meaning of any constitutional or statutory provision or limitation and are not general obligations of the System or general, special or other obligations of the State. The owner of any 2026 Bond may not look to any general or other fund of the System for the payment of the 2026 Bonds except the Net Pledged Revenues described below for the 2026 Bonds. *The System does not pledge its full faith and credit for the payment of the 2026 Bonds. The System has no taxing power.* See “SECURITY FOR THE 2026 BONDS.”

Net Pledged Revenues. The 2026 Bonds are payable solely out of and secured by an irrevocable pledge of certain income derived from: (i) the gross fees collected from students attending the Universities, which fees are commonly designated as the General Fund Fee, the Capital Improvement Fee, the General Improvement Fee and the Student Union Capital Improvement Fees (collectively, the “Student Fees”), (ii) the gross revenues derived from or otherwise pertaining to the operation of certain special event facilities located on the UNLV campus (known as the Thomas and Mack Center and the Cox Pavilion), the operation of all System-owned student housing facilities, dining facilities and parking facilities, whether or not

presently existing, situated on the campus of UNLV, after the deduction of the expenses of operation and maintenance of such facilities (other than salaries and the costs of utility services) (collectively, the “UNLV Facilities Revenues”), (iii) the gross revenues derived from or otherwise pertaining to the operation of all System-owned student housing facilities, dining facilities and parking facilities, whether or not presently existing, situated on the campus of UNR, after the deduction of the expenses of operation and maintenance of such facilities (other than salaries and the costs of utility services) (collectively, the “UNR Facilities Revenues”), and (iv) all grants, conditional or unconditional, from the United States of America, the State of Nevada, or any other donor which are specifically designated for the payment of the 2026 Bonds, if any (the “Grant Revenues”) (collectively, the “Net Pledged Revenues”). *Other funds of the Universities, including tuition and summer school fees, are not pledged to pay the 2026 Bonds.* See “SECURITY FOR THE 2026 BONDS – Student Fees.” Only non-resident students are charged tuition in addition to a registration fee. See “THE SYSTEM – Tuition.”

Parity Bonds. As of March 1, 2026, the System has outstanding \$270,610,000 aggregate principal amount of bonds with a lien on the Net Pledged Revenues that is on a par with the lien thereon of the 2026 Bonds (the “Prior Parity Bonds”). The following table illustrates the outstanding Prior Parity Bonds before taking the issuance of the 2026 Bonds into account.

Outstanding Prior Parity Bonds⁽¹⁾

<u>Name of Issue</u>	<u>Amount Outstanding</u>
Universities Revenue Bonds, Series 2015B (the “2015B Bonds”)	\$830,000
Universities Revenue Bonds, Series 2016A (the “2016A Bonds”).....	43,370,000
Universities Revenue Bonds, Series 2016B (the “2016B Bonds”)	9,005,000
Universities Revenue Crossover Refunding Bonds, Series 2017A (the “2017A Bonds”).....	21,340,000
Universities Revenue Bonds, Series 2019A (the “2019A Bonds”).....	16,820,000
Universities Revenue Refunding Bonds, Series 2021 (the “2021 Bonds”).....	31,150,000
Universities Revenue Refunding Bonds, Series 2022 (the “2022 Bonds”).....	15,655,000
Universities Revenue Refunding Bonds, Series 2023 (the “2023 Bonds”).....	61,055,000
Universities Revenue Refunding Bonds, Series 2024 (the “2024 Bonds”).....	31,475,000
Universities Revenue Refunding Bonds, Series 2025 (the “2025 Bonds”).....	39,910,000
TOTAL	\$270,610,000

(1) Does not reflect the issuance of the 2026 Bonds including the impact of the Refunding Project on the outstanding 2016A Bonds.

Source: The System.

The Prior Parity Bonds and the 2026 Bonds will be on a parity with any additional bonds of the System issued with a parity lien on the Net Pledged Revenues (collectively with the Prior Parity Bonds and the 2026 Bonds, the “Parity Bonds”). See “SECURITY FOR THE 2026 BONDS – Additional Bonds” and “DEBT STRUCTURE – Authorized but Unissued Obligations.”

Additional Bonds. The System has covenanted not to issue any additional bonds having a lien on the Net Pledged Revenues prior or superior to that of the Parity Bonds. Additional bonds or other obligations having a lien on the Net Pledged Revenues on a parity with the Parity Bonds (“Additional Parity Bonds”) or having a lien thereon which is subordinate to the lien of the Parity Bonds may be issued upon certain conditions set forth in the resolutions authorizing the issuance of the Parity Bonds or any subordinate lien bonds. See “SECURITY FOR THE 2026 BONDS – Additional Bonds” and Appendix C – Summary of Certain Provisions of the Bond Resolution. See “DEBT STRUCTURE – Authorized but Unissued Obligations and – Contemplated Projects for the Universities” for a description of the System’s plans for issuance of other Additional Parity Bonds as well as a description of the current legal limitations on the issuance of Additional Parity Bonds.

Other Outstanding Obligations. The System has outstanding other obligations that are payable from any legally available System revenues (which may include Net Pledged Revenues remaining after the payment of the Parity Bonds). These include (i) numerous promissory notes issued pursuant to various loan agreements (collectively, the “Notes”); (ii) the System’s Certificates of Participation, Series 2014A (the “2014A Certificates”); (iii) the System’s Certificates of Participation, Series 2016A (the “2016A Certificates”); (iv) the System’s Certificates of Participation, Series 2016B (the “2016B Certificates”); (v) the System’s Certificates of Participation, Series 2017A (the “2017A Certificates”); (vi) the System’s Certificates of Participation, Series 2018A (the “2018A Certificates”); (vii) the System’s Certificates of Participation, Series 2020A (the “2020A Certificates”); (viii) the System’s Certificates of Participation, Series 2024A (the “2024A Certificates”); (ix) the System’s Certificates of Participation, Series 2025 (the “2025 Certificates”), and together with the 2014A Certificates, the 2016A Certificates, the 2016B Certificates, the 2017A Certificates, the 2018A Certificates the 2020A Certificates, and the 2024A Certificates, the “Outstanding Certificates”); (x) a long-term ground lease and sublease entered into by the System in June 2023 for a new school of business building located on the principal campus of UNR in Reno; and (xi) a long-term ground lease and sublease entered into by the System in August 2025 for a new indoor and outdoor fieldhouses and intramural field on the principal campus of UNR in Reno. However, none of these obligations has a lien on the Net Pledged Revenues or any other System revenues. See “DEBT STRUCTURE – Other Obligations of the System.”

Professionals

Taft Stettinius & Hollister LLP, Reno and Las Vegas, Nevada has acted as Bond Counsel and also has acted as Special Counsel to the System in connection with preparation of this Official Statement. The fees of Taft Stettinius & Hollister LLP are contingent upon the delivery of the 2026 Bonds and will be paid at closing from 2026 Bond proceeds. The System’s Municipal Advisor in connection with the 2026 Bonds is JNA Consulting Group, LLC, Boulder City, Nevada. See “MUNICIPAL ADVISOR.” The fees being paid to the Municipal Advisor are contingent upon the delivery of the 2026 Bonds. The financial statements in Appendix A of this Official Statement have been audited by Eide Bailly LLP, certified public accountants, Reno, Nevada, as stated in their report appearing herein. The audited financial statements of the System are public

documents and pursuant to State law, no consent from the auditors is required to be obtained prior to inclusion of the audited financial statements in this Official Statement. See “INDEPENDENT ACCOUNTANTS.” U.S. Bank Trust Company, National Association, Phoenix, Arizona, will act as the registrar and paying agent (the “Registrar” and “Paying Agent”) for the 2026 Bonds and also will act as the Escrow Agent in connection with the Refunding Project. Causey Public Finance, LLC., certified public accountants, Parker, Colorado, will prepare a report as to the sufficiency of the Escrow Account to implement the Refunding Project and other matters. See “SOURCES AND USES OF FUNDS – The Refunding Project – Verification of Mathematical Computations.”

Continuing Disclosure Undertaking

The System will execute a continuing disclosure certificate (the “Disclosure Certificate”) at the time of the closing for the 2026 Bonds. The Disclosure Certificate will be executed for the benefit of the beneficial owners of the 2026 Bonds and the System will covenant in the Bond Resolution to comply with its terms. The Disclosure Certificate will provide that so long as the 2026 Bonds remain outstanding, the System will provide the following information to the Municipal Securities Rulemaking Board (“MSRB”) through the Electronic Municipal Market Access (“EMMA”) system: (i) annually, certain financial information and operating data; and (ii) notice of the occurrence of certain specified events; all as more particularly described in the Disclosure Certificate. The form of the Disclosure Certificate is attached hereto as Appendix F. In the last five years, the System has not failed to materially comply with any undertakings made pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the “Rule”).

Tax Matters

In the opinion of Taft Stettinius & Hollister LLP, Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the 2026 Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the 2026 Bonds (the “Tax Code”) and interest on the 2026 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b) of the Tax Code;. See “however, to the extent such interest is included in calculating the “adjusted financial statement income” of “applicable corporations” (as defined in Sections 56A and 59(k), respectively, of the Tax Code), such interest is subject to the alternative minimum tax applicable to those corporations under Section 55(b) of the Tax Code. TAX MATTERS – Federal Tax Matters.”

Under the laws of the State in effect as of the date of delivery of the 2026 Bonds, the 2026 Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS. See “TAX MATTERS – State Tax Exemption.”

Additional Information

This introduction is only a brief summary of the provisions of the 2026 Bonds and the Bond Resolution; a full review of the entire Official Statement should be made by potential investors. Brief descriptions of the System, the Board, the Refunding Project, the Net Pledged Revenues, the 2026 Bonds and the Bond Resolution are included in this Official Statement. All

references herein to the 2026 Bonds, the Bond Resolution and other documents or statutes are qualified in their entirety by reference to such documents and all capitalized terms used herein which are not defined have the meanings given such terms in the Bond Resolution. *This Official Statement speaks only as of its date, and the information contained herein is subject to change.*

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

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

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

CERTAIN RISK FACTORS

The purchase of the 2026 Bonds involves special risks and the 2026 Bonds may not be appropriate investments for all types of investors. Each prospective investor is encouraged to read this Official Statement in its entirety and to give particular attention to the factors described below, which, among other factors discussed herein, could affect the payment of the 2026 Bonds and could affect the market price of the 2026 Bonds to an extent that cannot be determined at this time. *The following does not purport to be an exhaustive or definitive listing of risks and other considerations which may be relevant to investing in the 2026 Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of such risks. There can be no assurance that other risk factors not discussed herein will not become material in the future.*

No Mortgage or Lien Interests Secure the 2026 Bonds

The 2026 Bonds are not secured by any encumbrance, mortgage or other pledge of property of the System or the Board, except for the Net Pledged Revenues and any moneys pledged in the future for payment of the 2026 Bonds. For a discussion of existing liens on the Net Pledged Revenues, see “DEBT STRUCTURE.”

Future Capital Expenditures; Additional Bonds

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

The System may issue Additional Parity Bonds at any time legal requirements are met. Upon the satisfaction of all legal requirements, including sufficient authorization by the Legislature (defined below) for issuance of Additional Parity Bonds, the System also may refund outstanding Notes and the Outstanding Certificates, which do not currently have a lien on the Net Pledged Revenues, as Additional Parity Bonds. Issuance of Additional Parity Bonds will dilute

the Net Pledged Revenues available to pay debt service on the 2026 Bonds and the Prior Parity Bonds. See “DEBT STRUCTURE – Contemplated Projects for the Universities.”

Risks Related to System Operations

The ability of the System to meet its payment obligations will depend upon the continued availability to the System of revenues from a variety of sources sufficient to meet such obligations, the System’s operating expenses, debt service on other debt, extraordinary costs or expenses which may occur and other costs and expenses. Revenues and expenses of the System will be affected by future events and conditions relating generally to, among other things, the ability of the System to provide educational programs to attract and retain sufficient numbers of students during the time that the 2026 Bonds remain outstanding, demographic changes that may affect the number of students, particularly traditional students, who will be attracted to and enroll at the System’s institutions, the ability of the Board to direct and the System’s administration to manage and operate the System, the System’s ability to control expenses, the System’s ability to maintain or increase rates for tuition and registration fees without adversely affecting enrollment, the ability of the System to maintain adequate physical plant to house its programs; the ability of the System to attract and retain quality faculty members for its educational programs, the investment of the System’s endowment and other funds, the ability of the System to solicit and obtain future gifts and bequests, governmental assistance for student financial aid, and grants and contracts from governmental bodies, agencies and others. No assurances can be given that these or other sources of revenues will be adequate to meet the expenses of the System while the 2026 Bonds are outstanding.

Admission and Enrollment Trends. The 2026 Bonds and the Prior Parity Bonds primarily are secured by the Student Fees and other Net Pledged Revenues; those revenue sources are dependent upon student enrollment figures. Accordingly, any circumstances that significantly reduce the number of students at the Universities may negatively impact Net Pledged Revenues and the ability of the System to pay debt service on its outstanding bonds.

Increasing Need for Financial Aid. The System operates in a competitive market for students with other educational institutions. As registration fees and tuition costs have risen, so has the demand for financial aid. The System expects that students will require more financial aid than past populations. The System staff expects that it will continue to have to balance its rate of increase in tuition and fees and financial aid needs in the future in order to attract sufficient numbers of qualified students. Any increases in financial aid provided by the System could reduce funds available for programs and Net Pledged Revenues. See “SECURITY FOR THE 2026 BONDS – Student Fees – Student Registration Fees,” “THE SYSTEM – Student Body” and “Student Financial Aid.”

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

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

For example, the System, like other governmental entities, is subject to developments at the federal level with respect to federal budget process and applicable budget enforcement laws, including sequestration, which may require automatic spending reductions under certain statutory conditions. Federal funding to the System for research and other grants may be reduced by the percentage specified in any executive order implementing a sequestration under applicable federal law. The duration and magnitude of any such sequestration depend on the federal statutes and executive actions in effect at the time. The sequestration reduction rate remains subject to change as Congress may amend, suspend, extend or otherwise modify applicable budget enforcement provisions.

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

Future Changes in Laws or Regulations

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

Limitations on Remedies Available to 2026 Bond Owners

No Acceleration. There is no provision for acceleration of maturity of the principal of the 2026 Bonds in the event of a default in the payment of principal or interest on the 2026 Bonds. Consequently, remedies available to the owners of the 2026 Bonds may have to be enforced from year to year.

Bankruptcy, Federal Lien Power and Police Power. The enforceability of the rights and remedies of the owners of the 2026 Bonds and the obligations incurred by the System in issuing the 2026 Bonds are subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors’ rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; the power of the federal government to impose liens in certain situations; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose.

Bankruptcy proceedings or the exercise of powers by the federal or State government, if initiated, could subject the owners of the 2026 Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights. The various legal opinions to be delivered concurrently with the delivery of the 2026 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by the valid exercise of the sovereign powers of the State, and the constitutional powers of the United States of America, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Judicial Limitations on Enforcement. The remedies available to the owners of 2026 Bonds upon an event of default under the Bond Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies provided in the Bond Resolution may not be readily available or may be limited.

Other Potential Limitations on Rights of 2026 Bond Owners. The 2026 Bonds are secured by a pledge of and a lien on the Net Pledged Revenues on a parity with the lien thereon of the Prior Parity Bonds and any Additional Parity Bonds. That lien is intended to be prior to any other security interest in, lien on or pledge of the Net Pledged Revenues. However, in addition to the limitations discussed above, that lien may be subject to or limited by other factors, including without limitation statutory liens, and rights arising in favor of the United States of America or any agency thereof (including federal tax liens or other federal liens existing in the future).

Forward-Looking Statements

This Official Statement, particularly (but not limited to) any sections discussing expected or interim financial results of the System or the State for fiscal years 2024 or 2025 (in the case of the State) or amounts budgeted for fiscal year 2026 (or future fiscal years) and the sections entitled “CERTAIN RISK FACTORS,” “SOURCES AND USES OF FUNDS,” “SYSTEM FINANCIAL INFORMATION – Budget” and Appendix B – State Financial, Economic And Demographic Information – Certain Financial Information-State General Fund and – Recent and Current State Budgets, contains statements relating to future results that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words “estimate,” “forecast,” “intend,” “expect” and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward looking statements and actual results. Those differences could be material and could impact the availability of funds to pay debt service on the 2026 Bonds.

Secondary Market

No assurance can be given that a secondary market for the 2026 Bonds will be maintained by the successful bidder for the 2026 Bonds (the “Initial Purchaser”) or by any other

entity. Prospective purchasers of the 2026 Bonds should therefore be prepared to bear the risk of the investment represented by the 2026 Bonds to maturity.

SOURCES AND USES OF FUNDS

Sources and Uses of Funds

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

Sources and Uses of Funds

	<u>Amount</u>
<u>SOURCES:</u>	
Principal amount	\$23,215,000
Original issue premium	2,180,645
System cash contribution	299,000
Total	\$25,694,645
 <u>USES:</u>	
The Refunding Project	\$25,351,462
Costs of issuance (including underwriter's discount)	343,183
Total	\$25,694,645

Source: The Municipal Advisor.

The Refunding Project

A portion of the 2026 Bond proceeds, along with other monies of the System, will be used to defease and/or currently refund the following 2016A Bonds (collectively, the "2016A Refunded Bonds").

Maturing (July 1)	Principal Amount	CUSIP (641496)	Redemption Price
2027	\$2,715,000	NC4	100%
2028	2,815,000	ND2	100
2029	2,925,000	NE0	100
2030	3,045,000	NF7	100
2031	3,170,000	NG5	100
2032	3,295,000	NH3	100
2033	3,445,000	NJ9	100
2034	3,600,000	NK6	100

To accomplish the Refunding Project, the System will deposit a portion of the 2026 Bond proceeds, along with a cash contribution, into an escrow account established for the refunding of the 2016A Refunded Bonds (the “Escrow Account”) pursuant to an Escrow Agreement dated as of the date of delivery of the 2026 Bonds between the System and the Escrow Agent (the “Escrow Agreement”). Pursuant to the Escrow Agreement, the amount deposited into the Escrow Account will be invested in federal securities maturing at such times and in such amounts as are required to pay, together with an initial cash balance, the principal of and accrued interest thereon of the 2016A Refunded Bonds upon prior redemption on July 1, 2026.

Verification of Mathematical Computations. The accuracy of the mathematical computations of the adequacy of the maturing principal of and interest on the federal securities and cash deposited in the Escrow Account to provide for the payment of the principal and interest with respect to the Refunded Bonds upon prior redemption, which computations support the conclusion of the Bond Counsel that the 2026 Bonds are not “arbitrage bonds” under Section 148 of the Tax Code, will be verified by Causey Public Finance, LLC, independent certified public accountants, Parker, Colorado.

THE 2026 BONDS

General

The 2026 Bonds will be issued as fully registered bonds in denominations of \$5,000 and any integral multiple thereof. The 2026 Bonds will be dated as of their date of delivery and will mature and bear interest as set forth on the inside cover page of this Official Statement. The 2026 Bonds initially will be registered in the name of “Cede & Co.,” as nominee for DTC, the securities depository for the 2026 Bonds. Purchases of the 2026 Bonds are to be made in book-entry only form. Purchasers will not receive certificates evidencing their beneficial ownership interest in the 2026 Bonds. See “Book-Entry Only System” below.

Payment Provisions

Interest on the 2026 Bonds is payable on January 1 and July 1 of each year, commencing July 1, 2026. Interest will be paid by the Paying Agent on or before the interest payment date (or if such day is not a business day, on the next succeeding business day) to the person in whose name each 2026 Bond is registered (*i.e.*, Cede & Co.) on the 15th day of the calendar month preceding the interest payment date (the “Regular Record Date”) as described below, at the address shown on the registration records maintained by the Paying Agent as of the close of business on the Regular Record Date. However, if there is a default in payment or provision of interest due with respect to a 2026 Bond on any interest payment date, such interest thereafter will be paid to the registered owner of such 2026 Bond as of a special record date (the “Special Record Date”) to be established by the Registrar whenever moneys become available for payment of the defaulted interest. Such Special Record Date shall be fixed by the Paying Agent whenever monies become available for payment of the defaulted interest, and notice of the Special Record date shall be given to the registered owners of the 2026 Bonds not less than ten days prior thereto electronically or otherwise to each such registered owner as shown on the Registrar’s registration records on a date selected by the Registrar, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. Principal of the 2026 Bonds will be payable at maturity or upon prior redemption at the principal operations office of the Paying Agent (or at such other office designated by the Paying Agent) upon presentation and surrender thereof.

Any 2026 Bond not paid upon presentation and surrender at or after maturity or prior redemption shall continue to draw interest at the rate stated in the 2026 Bond until the principal is paid in full. All such payments of principal and interest shall be made in lawful money of the United States of America. Payments to beneficial owners are to be made as described below in “Book-Entry Only System.”

Notwithstanding the foregoing, payments of the principal and interest on the 2026 Bonds will be made directly to DTC or its nominee, Cede & Co., by the Paying Agent, so long as DTC or Cede & Co. is the registered owner of the 2026 Bonds. Disbursement of such payments to DTC’s Participants (defined in Appendix D) is the responsibility of DTC, and disbursements of such payments to the Beneficial Owners (defined in Appendix D) is the responsibility of DTC’s Participants and the Indirect Participants (defined in Appendix D), as more fully described herein. See “Book-Entry Only System” below.

No Prior Redemption

The 2026 Bonds are not subject to optional or mandatory sinking fund redemption prior to their respective maturities.

Tax Covenants

The System covenants for the benefit of the holders of the 2026 Bonds that it will not take any action or omit to take any action with respect to the 2026 Bonds, the proceeds thereof, any other funds of the System, or any facilities financed or refinanced with the proceeds of the 2026 Bonds if such action or omission would (i) cause interest on the 2026 Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code or (ii) cause interest on the 2026 Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b) of the Tax Code. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the 2026 Bonds until the date on which all obligations of the System in fulfilling the above-described covenant have been met. The System makes no covenant with respect to taxation of interest on the 2026 Bonds as a result of the inclusion of that interest in the “adjusted financial statement income” of “applicable corporations” (as defined in Sections 56A and 59(k), respectively, of the Tax Code).

Defeasance

When all Bond Requirements of any 2026 Bond or any other securities of any other issue payable from Net Pledged Revenues have been duly paid, the pledge and lien and all obligations hereunder shall thereby be discharged as to such issue of securities and they shall no longer be deemed to be Outstanding within the meaning of the Bond Resolution. There shall be deemed to be such due payment if the System has placed in escrow or in trust with a trust bank exercising trust powers, an amount sufficient (including the known minimum yield available for such purpose from Federal Securities (defined in Appendix C) in which such amount wholly or in part may be initially invested) to meet all Bond Requirements (defined in Appendix C) of the securities issue, as such requirements become due to the fixed maturity dates of the securities or to any Redemption Date or Redemption Dates as of which the System shall have exercised or shall have obligated itself to exercise its prior redemption option by a call of the securities thereafter maturing for payment then. The Federal Securities shall become due prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and

agreed upon between the System and such bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure such availability as so needed to meet such schedule. If at any time the System has so placed in escrow or trust any amount so sufficient to pay designated Bond Requirements of securities constituting less than all of the Bond Requirements of the securities becoming due on and before their respective due dates, be they the fixed maturity dates of the securities or any such Redemption Date pertaining to the securities, such designated Bond Requirements shall be deemed paid and discharged under the Bond Resolution.

Book-Entry Only System

The 2026 Bonds will be available only in book-entry form in the principal amount of \$5,000 and any integral multiples thereof. DTC will act as the initial securities depository for the 2026 Bonds. The ownership of one fully registered 2026 Bond for each maturity, as set forth on the inside cover page of this Official Statement, in the aggregate principal amount of such maturity, will be registered in the name of Cede & Co., as nominee for DTC. See Appendix D – Book-Entry Only System.

SO LONG AS CEDE & CO, AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE 2026 BONDS, REFERENCES IN THIS OFFICIAL STATEMENT TO THE REGISTERED OWNERS WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

Neither the System nor the Registrar/Paying Agent will have any responsibility or obligation to DTC's Direct Participants or Indirect Participants (defined herein), or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the Direct Participants, the Indirect Participants or the beneficial owners of the 2026 Bonds as further described in Appendix D to this Official Statement.

SECURITY FOR THE 2026 BONDS

Special, Limited Obligations

The 2026 Bonds are special, limited obligations of the System payable solely from and secured by a prior lien on the Net Pledged Revenues. The 2026 Bonds will not be considered or held to be a general obligation of the Board or the System or a debt or obligation of the State, nor do they constitute an indebtedness or a debt within the meaning of any constitutional or statutory provision or limitation.

Net Pledged Revenues

The 2026 Bonds are payable solely from and are secured by an irrevocable pledge of the Net Pledged Revenues, comprised of certain income derived from (i) Student Fees (which do not include tuition payable by nonresident students, any fees collected during summer sessions, certain registration fees, or fees collected at the Community Colleges or Nevada State University), which fees are commonly designated as the General Fund Fee, the Capital Improvement Fee, the Student Union Capital Improvement Fee and the General Improvement Fee, (ii) the UNLV Facilities Revenues, (iii) the UNR Facilities Revenues, and (iv) the Grant Revenues. The primary Net Pledged Revenue categories are discussed below.

Student Fees

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

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

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

Student Registration Fees Per Credit Hour Per Semester⁽¹⁾

<u>UNDERGRADUATE FULL-TIME</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>
University of Nevada-Reno					
General Fund	\$171.80	\$176.65	\$176.65	\$188.12	\$193.14
Capital Improvement ⁽²⁾	20.00	20.00	23.52	26.78	27.49
General Improvement	10.54	10.31	12.31	13.31	13.67
Activities and Program Fund ⁽³⁾	10.64	10.64	10.64	10.64	10.92
Student Access ⁽³⁾	<u>36.02</u>	<u>38.40</u>	<u>39.38</u>	<u>42.15</u>	<u>43.28</u>
	\$249.00	\$256.00	\$262.50	\$281.00	\$288.50
University of Nevada, Las Vegas					
General Fund	\$168.65	\$173.60	\$177.49	\$190.21	\$200.72
Capital Improvement	13.00	13.00	13.00	13.00	15.00
General Improvement	21.00	22.00	23.63	24.63	20.50
Activities and Program Fund ⁽⁴⁾	9.00	9.00	9.00	9.00	9.00
Student Access ⁽³⁾	<u>37.35</u>	<u>38.40</u>	<u>39.38</u>	<u>42.16</u>	<u>43.28</u>
	\$249.00	\$256.00	\$262.50	\$281.00	\$288.50
<u>GRADUATE FULL-TIME</u>					
University of Nevada-Reno					
General Fund	\$216.91	\$222.94	\$223.19	\$241.48	\$247.97
Capital Improvement ⁽²⁾	20.00	20.00	24.24	24.17	24.82
General Improvement	5.51	4.57	6.57	7.57	7.77
Activities and Program Fund	7.97	7.97	7.97	7.97	8.18
Student Access ⁽³⁾	44.00	47.10	48.26	51.64	53.03
Student Association ⁽³⁾	<u>11.11</u>	<u>11.42</u>	<u>11.42</u>	<u>11.42</u>	<u>11.73</u>
	\$305.50	\$314.00	\$321.75	\$344.25	\$353.50
University of Nevada, Las Vegas					
General Fund	\$216.68	\$222.90	\$227.40	\$243.53	\$254.47
Capital Improvement	13.00	13.00	13.00	15.00	15.00
General Improvement	21.00	22.00	24.09	25.08	22.00
Activities and Program Fund ⁽⁴⁾	9.00	9.00	9.00	9.00	9.00
Student Access ⁽³⁾	<u>45.82</u>	<u>47.10</u>	<u>48.26</u>	<u>51.64</u>	<u>53.03</u>
	\$305.50	\$314.00	\$321.75	\$344.25	\$353.50

(1) Full time status constitutes seven or more credits.

(2) The Capital Improvement Fee at UNR includes \$1 that is allocable to the Student Union Capital Improvement Fee.

(3) These student fees do not constitute Net Pledged Revenues.

(4) The Activities and Program Fund fee at UNLV includes amounts allocable to the Student Union Capital Improvement Fee (Undergraduate - \$2.23 and Graduate - \$0.96). The remainder of these student fees do not constitute Net Pledged Revenues.

Source: The System.

Fee Policies. Registration fees are generally payable upon registration for the fall and spring semesters. Deferred payment contracts are applicable for registration fees (which include Student Fees), tuition, room and board cost and discounted fees. Each institution shall determine the student requirements and the minimum balance threshold for deferred payment and whether other fees may be deferred. UNR has a minimum balance threshold of \$500 and UNLV has a minimum balance threshold of \$250. Each institution determines the number of deferred payment installments that can be made throughout the semester; all deferred amounts must be paid no later than the end of the semester or course. There is a fee for deferment of tuition (\$50 at UNR and \$45 at UNLV) plus a penalty of 10% charged on the deferred balance not paid by the due date. The Board has adopted a refund process for students who are activated to service in the U.S. armed forces and has adopted a waiver program for members of the National Guard. The Board or the Legislature may approve additional fee waiver programs at any time.

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

UNLV Facilities Revenues

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

UNLV's special event facilities compete with certain private venues in the Las Vegas area to attract non-university events, such as concerts and certain sporting events. Additional private venues that compete with UNLV's special event facilities may be constructed in the future. If constructed, any such arena would compete directly with UNLV facilities, particularly Thomas and Mack. Thomas and Mack has remained competitive with other competing venues constructed over the past 40 years. However, to the extent that such venues offer more competitive pricing or amenities not offered at UNLV's venues in the future, rental activity at UNLV's special event facilities (and resulting facilities revenues) may decline or UNLV may determine to lower its rates, in which case UNLV Facilities Revenues may decline.

Student Housing and Dining Facilities. The UNLV Facilities Revenues also include gross revenues derived from or otherwise pertaining to the operation of all System-owned student housing and dining facilities, whether or not presently existing, situated on the campus of

UNLV, after the deduction of the expenses of operation and maintenance of such housing and dining facilities (other than salaries and the cost of utility services). UNLV currently has twelve resident halls organized into four complexes and a separate dining commons. The residence halls have an aggregate capacity, based on the current configuration, of 2,406 students and can vary depending on single/double configurations and staff assignments. For the fall 2025 term, the residence halls had 1,923 student residents, an increase from the prior year. For fall 2025, students were charged between \$3,170 and \$3,452 for double occupancy rooms and between \$2,497 and \$3,235 per semester for board, depending on the meal plan chosen. Fall 2025 room rates increased by 5.5% and board fees increased 4.5%. In fall 2026 room fees are scheduled to increase by 4.5% and board fees are scheduled to increase by 3.4%.

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

In 2015, the Board approved the purchase of the University Park Apartments (located on Maryland Parkway at Cottage Grove) and a ground lease to a private developer to design, finance, build and operate housing for UNLV for students that are not freshmen, in order to meet expected demand, and UNLV gave exclusive right to the developer to market this housing as owned by UNLV. However, UNLV has no contractual financial risk in the results of the operation of this housing. The University Park Apartments opened in fall 2019 and is configured with 758 beds covering about 40% of the entire property. The remaining legacy units are configured for 360 beds which are under the control of UNLV housing and residential life. The revenues generated by such new and legacy units are not part of the UNLV Facilities Revenues securing the 2026 Bonds.

Parking Facilities. The UNLV Facilities Revenues also include gross revenues derived from or otherwise pertaining to the operation of all University-owned parking facilities, whether or not presently existing, situated on the campus of UNLV, after the deduction of the expenses of operation and maintenance of such parking facilities (other than salaries and the cost of utility services). Currently, UNLV has 45 parking lots/structures of various sizes with 15,745 total parking spaces available. There are 39 parking lots/structures with 14,753 spaces on the Maryland Campus and 6 parking lots with 1,061 spaces on the Shadow Lane Campus. Parking fees are based upon status (*i.e.*, student, faculty/staff, resident in on-campus housing or vendor) and whether spaces are reserved. At its December 2020 meeting, the Board of Regents approved the reallocation of the proceeds of Bonds issued in 2019 for the expansion of the Tropicana Garage parking structure. The expansion was completed in 2022 and added approximately 760 new parking spaces to the garage. However, a Clark County public works project affecting the Tropicana roadway is expected to result in a loss of approximately 300-400 surface parking spaces in the area of Tropicana and University Center Drive. The commencement date for this project is unknown at this time. Annual parking fees for fall 2025 were \$354 for students and \$504 for faculty/staff. Rates increased for fall 2025 by \$3 per month or \$36 per year for all classifications. At its March 2025 meeting, the Board of Regents approved funding of up to \$62.2 million in 30-year Certificates of Participation to support the construction of a new Brussels Street Parking Garage. Financing was completed April 2025 and construction is underway. The project is expected to be completed in Fall 2027 with the addition of 1,250 parking spaces (gross spaces

constructed are expected to be approximately 1,500 additional parking spaces with 250 surface spaces lost at the existing site).

UNR Facilities Revenues

Student Housing and Resident Dining Facilities. The UNR Facilities Revenues include gross revenues derived from or otherwise pertaining to the operation of all System-owned student housing and dining facilities, whether or not presently existing, situated on the campus of UNR, after the deduction of the expenses of operation and maintenance of such facilities (other than salaries and the cost of utility services). UNR has twelve residence halls and two resident dining facilities. The twelve residence halls have a design capacity of 3,623 students. During the 2025 fall and 2026 spring term, the occupancy in the residence halls were at 95% and 87%, respectively.

For the 2025-26 academic year, students will be charged annual rates that are between \$6,800 and \$10,700 for a room, depending upon the residence hall (double occupancy; single rooms and private double-sized rooms are more). For the 2025-26 academic year meal plan rates are between \$4,700 and \$8,087. Meal plan costs are split evenly between the fall and spring semesters. Several board plans and à la carte dining are available to all students.

Parking Facilities. The UNR Facilities Revenues also include gross revenues derived from or otherwise pertaining to the operation of all System-owned parking facilities, whether or not presently existing, situated on the campus of UNR, after the deduction of the expenses of operation and maintenance of such parking facilities (other than salaries and the cost of utility services). Currently, UNR has 9,289 total parking spaces available. All parking facilities include permit-required spaces, motorcycle spaces, parking meters and visitor spaces. For the 2025-2026 academic year, 8,882 vehicle permits, including ADA, contractor, reserved and evening-permitted spaces were sold in six permitted parking zones. For the 2024-2025 academic year, 9,299 vehicle permits including ADA, contractor, reserved and evening-permitted spaces were sold in six permitted parking zones. The parking spaces have fees generally based upon the zone for which a permit is purchased; zones are priced according to their proximity to certain campus buildings. Annual parking fees currently range from \$168 to \$713; permits for limited reserved spaces (available to the president, the provost, the deans and the vice presidents) are \$784 per year. Motorcycle permits also are available for \$67 per year. Visitor parking starts at \$2.00 per hour.

Pro-Forma Debt Service Coverage

The following table shows Net Pledged Revenues and pro-forma debt service coverage on the Parity Bonds for each of the five fiscal years ending June 30, 2021 through June 30, 2025. Pro-forma debt service coverage is calculated by dividing the Net Pledged Revenues by the Combined Maximum Annual Debt Service on the Parity Bonds (after taking issuance of the 2026 Bonds into account). *There is no assurance that Net Pledged Revenues, or any component thereof, will be generated at the levels indicated in this table in the future. See “CERTAIN RISK FACTORS.”*

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

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
STUDENT FEES					
UNR General Fund Fees	\$80,736,411	\$80,532,492	\$81,498,252	\$82,866,965	\$90,170,666
UNLV General Fund Fees	110,301,365	110,881,206	112,631,720	118,198,145	130,685,889
UNR Capital Improvement and Student Union Capital Improvement Fees ⁽⁶⁾	12,640,681	12,303,832	12,690,005	14,157,777	15,630,128
UNLV Capital Improvement and Student Union Capital Improvement Fees	10,282,552	10,031,261	9,759,389	10,067,007	11,207,820
UNR General Improvement Fees	5,096,815	5,192,158	4,777,582	5,530,363	6,423,647
UNLV General Improvement Fees	<u>13,613,562</u>	<u>13,913,830</u>	<u>14,286,520</u>	<u>15,743,153</u>	<u>16,882,391</u>
Total Student Fees ⁽²⁾	\$232,671,386	\$232,854,779	\$235,643,468	\$246,563,410	\$271,000,541
UNLV FACILITIES REVENUES					
Special Event Facilities	\$5,797,898 ⁽⁵⁾	\$6,691,246	\$16,212,506	\$13,580,517	18,398,831
Dining and Housing Facilities	8,357,395 ⁽⁵⁾	4,861,470	4,965,354	6,143,301	6,756,499
Parking Facilities ⁽³⁾	<u>2,863,370⁽⁵⁾</u>	<u>3,929,386</u>	<u>4,861,952</u>	<u>5,721,817</u>	<u>6,143,271</u>
Total UNLV Facilities Revenues	\$17,018,663	\$15,482,102	\$26,039,812	\$25,445,635	\$31,298,601
UNR FACILITIES REVENUES					
Dining and Housing Facilities	\$8,888,524	\$18,413,078	\$19,172,707	\$19,505,914	\$21,388,347
Parking Facilities ⁽³⁾	<u>3,165,898</u>	<u>5,358,421</u>	<u>5,601,849</u>	<u>5,766,563</u>	<u>6,046,052</u>
Total UNR Facilities Revenues	\$12,054,422	\$23,771,499	\$24,774,556	\$25,272,477	\$27,434,399
NET PLEDGED REVENUES	\$261,744,471	\$272,108,380	\$286,457,836	\$297,281,521	\$329,733,541
Combined Maximum Annual Debt Service-Parity Bonds ⁽⁴⁾ Coverage	\$30,092,353 8.698x	\$30,092,353 9.042x	\$30,092,353 9.519x	\$30,092,353 9.879x	\$30,092,353 10.957x

(1) Unaudited

(2) Year-to-year increases are primarily a result of increased General Fund Fees. See “Student Fees” above.

(3) Parking revenues include revenues from parking permit sales, meters and fines.

(4) The combined Maximum Annual Debt Service on the Parity Lien Bonds is \$30,092,353 for the Bond Year ended July 1, 2026.

(5) For fiscal year 2021, includes reimbursements totaling \$12,877,511 from federal sources due to losses incurred as a result of the outbreak of the COVID-19 pandemic.

(6) Fiscal years 2021 through 2024 corrected.

Source: The System; compiled by the Municipal Advisor.

Additional Bonds

General. Upon issuance of the 2026 Bonds, the Prior Parity Bonds and the 2026 Bonds will be outstanding in the aggregate principal amount of \$268,815,000. No Outstanding 2026 Bond or other securities heretofore or hereafter issued on a parity therewith has or will have any priority over any other such bond or security with respect to the application of Net Pledged Revenues regardless of the time or times of issuance of such bonds or securities.

The Board may issue Additional Parity Bonds and also may issue bonds or other obligations which are subordinate to the 2026 Bonds subject to the provisions of the Bond Resolution. See “Additional Parity Bonds” below and Appendix C – Summary of Certain Provisions of the Bond Resolution – Additional Securities. The System currently has authorization to issue additional obligations as described in “DEBT STRUCTURE – Authorized but Unissued Obligations.” The Legislature may grant additional authorization at any time in the future.

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

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

B. Earnings Test. (1) The Net Pledged Revenues derived for either the fiscal year immediately preceding, or any 12 consecutive months of the 18 months immediately preceding, the date of the issuance of the Additional Parity Bonds, shall have been sufficient to pay an amount at least equal to 150% of the combined maximum annual principal and interest requirements (excluding amounts payable by virtue of the System’s exercise of a prior redemption option but taking into account mandatory sinking fund redemptions) to be paid during any one Bond Year ending on or before July 1, 2051, of the Outstanding Parity Bonds and the bonds or other securities proposed to be issued (excluding any reserves therefor), except as otherwise expressly provided in the Bond Resolution; and (2) pursuant to NRS 396.840(1) and the resolutions adopted by the Board authorizing the Parity Bonds issued before 2022, the Net Pledged Revenues, excluding from those revenues the proceeds of the General Fund Fees and the General Improvement fees pertaining to the Universities, derived for the fiscal year immediately preceding, or any 12 consecutive months of the 18 months immediately preceding, the date of the issuance of the additional parity securities, shall have been sufficient to pay an amount at least equal to 110% of the combined maximum annual principal and interest requirements to be paid during any one Bond Year ending on or before July 1, 2051, of the Outstanding Parity Bonds, and the securities proposed to be issued (excluding any reserves therefor), except as otherwise expressly provided in the Bond Resolution.

C. Adjustment of Net Pledged Revenues. (1) In any computation of the earnings test described in clause (2) of paragraph B above (but not in any computation of the earnings test described in clause (1) of paragraph B above) as to whether or not Additional Parity Bonds may be issued, the amount of the Net Pledged Revenues for the next preceding fiscal year shall be decreased and may be increased by the amount of loss or gain, respectively, estimated by

the Chief Financial Officer (defined in Appendix C) resulting from any change in any Student Fees based on the number of full time students (or the equivalent thereof) during the next preceding fiscal year, as if the schedule of such modified Student Fees had been in effect during the entire next preceding fiscal year, if such change shall have been made by the Board prior to such computation of the designated earnings test but made in the same fiscal year as such computation or in the next preceding fiscal year.

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

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

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

A written certification or written opinion by the Chief Financial Officer that such annual revenues, when adjusted as described in paragraphs C, D and E above, are sufficient to pay such amounts, as described in paragraph B above, shall be conclusively presumed to be accurate in determining the right of the System to authorize, issue, sell and deliver additional bonds or other additional securities on a parity with the 2026 Bonds.

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

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

THE SYSTEM

General

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

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

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

UNR offers 123 major fields of study leading to baccalaureate and 131 major fields of study leading to advanced degrees through academic departments in these colleges and schools: Agriculture, Biotechnology and Natural Resources; Business; Public Health Sciences; Education and Human Development; Engineering; Liberal Arts; Nursing; Science; Reynolds School of Journalism; Graduate School; and Honors College. In addition, UNR offers degrees through the University of Nevada, Reno School of Medicine and fully online master's programs in Accountancy, Business Administration, Business Analytics, Cybersecurity, Education, Equity and Diversity, Justice Management, Public Health and Social Work.

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

The Board of Regents

The governance of the System is vested by the State Constitution in the "Board of Regents," a body currently comprised of thirteen persons. Regents are elected by popular vote in the State's general elections for staggered terms of six years. Regents are subject to term limitations (12 years) approved by State voters in 1996. Each of the thirteen Regents must be a qualified

elector of, and elected by the qualified electors of, each of the districts described in NRS Sections 396.040 through 396.046. Vacancies are filled by appointment of the Governor to a term that continues until the next general election. The Board makes all major System policy decisions, grants degrees and honors, approves administrative and faculty salaries, and appoints a chancellor to carry out specific duties prescribed by the Board. Regents currently receive \$80 per day for each authorized meeting and are reimbursed for expenses incurred in performing their duties.

Pursuant to Assembly Bill 118 (“AB 118”) approved by the Legislature in 2023, the number of Regents will be reduced to nine (9) effective January 2, 2029, and the term of Regents elected in or after 2028 will be reduced to four (4) years.

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

Regent	Title	Principal Occupation	Term Expires January
Mr. Byron Brooks	Chair	Business Owner	2027
Ms. Stephanie Goodman	Vice Chair	Nonprofit Organization Executive Dir	2029
Mr. Joseph Arrascada	Member	Retired	2027
Mr. Aaron Bautista	Member	Teacher	2029
Mr. Patrick J. Boylan	Member	Retired	2027
Ms. Susan Brager	Member	Realtor	2029
Ms. Heather Brown	Member	Nonprofit Organization President	2029
Ms. Amy J. Carvalho	Member	Business Owner	2029
Ms. Carol Del Carlo	Member	Retired	2029
Mr. Jeffrey S. Downs, Ph.D.	Member	NSHE Employee	2029
Mr. Carlos D. Fernandez	Member	Executive Director	2029
Mr. Pete Goicoechea	Member	Former State Senator	2027
Ms. Jennifer J. McGrath	Member	Litigator	2027

Administrative Officers

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

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

Matt McNair – Chancellor. Matt McNair was appointed Chancellor in April 2025 following a national search by the Board. Prior to his appointment as Chancellor, Mr. McNair was president of a higher education consulting firm Cardinal Advisors and founder of TrustLab, a nonprofit focused on community-police reconciliation. Mr. McNair has previously served in senior leadership roles at major research universities, including Vice President for Economic and Corporate Engagement at Ohio State University and President of the Ohio State Innovation Foundation. From 2018 to 2021, he served as President of the Oregon Health & Science University Foundation. Mr. McNair also previously served as interim Chief Executive Officer of the South

Carolina Technical College System Foundation. McNair earned a Juris Doctorate degree from the University of Nebraska College of Law and a Bachelor of Science in Business Administration degree from the University of Kansas.

Daniel Archer – Vice Chancellor for Academic and Student Affairs. Daniel Archer was appointed as the Vice Chancellor for Academic and Student Affairs in November 2023. Prior to joining the System, Mr. Archer served in several administrative roles at both the institutional and state-system levels. Most recently, he served as the Vice President for Academic Affairs at the Kansas Board of Regents where he created the state’s first systemwide general education package and systemwide associate degree program, restructured academic program review, led an effort to establish the FAFSA as a high school graduation requirement, and initiated substantive remediation reform. The Oklahoma City native has also served as the Assistant Vice Chancellor for Academic Affairs at the Oklahoma State Regents for Higher Education, Registrar at Southwestern Oklahoma State University, and as an Academic/International Advisor at Oklahoma State University-Oklahoma City. Archer earned a Doctorate of Education from Abilene Christian University in Abilene, Texas, a Master of Science in Educational Leadership from Oklahoma State University, a Bachelor of Arts in Journalism from the University of Oklahoma, and an Associate in Arts from Oklahoma City Community College.

Chris Viton – Vice Chancellor of Budget and Finance & Chief Financial Officer. Chris Viton was appointed as the Vice Chancellor for Budget and Finance/Chief Financial Officer in October 2023. Prior to this most recent appointment, Mr. Viton served as Associate Vice President, Financial Services and Controller for the University of Nevada, Las Vegas, first joining UNLV as Deputy Controller in June 2006. Mr. Viton has nearly three decades of experience starting in public accounting and then in the financial management of private and public organizations. Before joining UNLV, Chris began his career in public accounting with KPMG in Princeton, NJ and then moved into healthcare financial management positions with a large community hospital in New Jersey. Mr. Viton moved to Nevada in 2001 to join the University Medical Center as Controller and later serving as Interim Chief Financial Officer. Mr. Viton is a certified public accountant and has a bachelor’s degree in Accounting from Pennsylvania State University and a master’s degree from Rutgers Graduate School of Management. Effective March 23, 2026, Mr. Viton transitioned from his role as NSHE’s Vice Chancellor of Budget and Finance & Chief Financial Officer to a new role as UNLV’s Vice President for Business Affairs and Chief Financial Officer. On March 16, 2026, NSHE named Brody Leiser as its new Vice Chancellor of Budget and Chief Financial Officer. Mr. Leiser brings more than 20 years of fiscal leadership experience with the State, including senior roles overseeing multi-billion budgets, revenue forecasting, federal fund allocation, and legislative policy implementation. Such roles included serving as Chief Principal Deputy Fiscal Analyst for the Fiscal Analysis Division of the Nevada Legislative Counsel Bureau and Deputy Director of the Nevada Department of Taxation.

Employees

As of November 1, 2025, UNLV employed approximately 5,348 faculty members and administrative personnel (3,466 full-time and 1,882 part-time) and approximately 996 classified employees (981 full-time and 15 part-time). As of November 1, 2025, UNR employed approximately 4,167 faculty members and administrative personnel (2,570 full-time and 1,597 part-time) and approximately 949 classified employees (900 full-time and 49 part-time). Classified staff of the Universities are employed under the provisions of the State’s personnel system. Faculty and certain personnel employed in executive or administrative positions, however, are not included

under the State personnel system, but are employed pursuant to the System code (the “System Code”). The System Code governs the tenure of faculty, personnel policy for faculty and disciplinary procedures. Many students also are employed part-time by the Universities on a continuing basis, the numbers of which are not included in the amounts set forth above.

Academic Year

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

Admissions Policy

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

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

Tuition

All System students pay registration fees (see “SECURITY FOR THE 2026 BONDS – Student Fees”). The System is prohibited by State statute from charging tuition to students who are “bona fide residents” of the State (generally, residents for 12 months). Nonresident students, however, generally are charged tuition in addition to the registration fees in accordance with current Board policy. Revenues realized from tuition do not constitute Net Pledged Revenues. Tuition varies between the Universities, Nevada State University and the Community Colleges and also varies by full- and part-time status. In March 2015, the Board approved revised policies regarding tuition and fees that automatically adjusts tuition and registration fees by the lesser of the Higher Education Price Index or six percent. The adjustments are implemented on a 4-year trailing basis. Therefore, the adjustment based on the Higher Education Price Index for 2024 which is published during academic year 2024-25 is implemented

for academic year 2028-29. This trailing implementation ensures that four years of tuition and fees are published for use by students and parents in budgeting for higher education expenses.

For the 2025-26 academic year, the tuition charged at the Universities is as follows: undergraduate full-time tuition (seven credit hours or more per semester) is \$18,632 per year, an increase of 2.7% over the 2024-25 academic year. For 2025-26 part-time undergraduates are charged \$317.25 per credit for one to six credits and part-time graduate students are charged \$388.75 per credit for one to six credits per semester. Tuition is scheduled to increase by 8.4% in 2026-27, 8.2% in 2027-28, and 8.6% in 2028-29, however future tuition increases remain subject to change by the Board.

Competition for Students

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

Student Body – The Universities

Applications and Admissions. The following tables show the number of applications for acceptance and new students registered at UNR and UNLV, respectively, during the fall semester of each of the years 2021-2025.

Applications and Admissions – UNR

<u>Fall Term</u>	<u>Applications</u>	<u>Applicants Accepted</u>	<u>Enrolled</u>
2021	15,962	13,023	5,435
2022	14,586	11,657	5,407
2023	17,975	15,914	6,470
2024	27,335	21,524	7,113
2025	32,380	26,211	8,228

Source: Compiled by UNR.

Applications and Admissions – UNLV

<u>Fall Term</u>	<u>Applications</u>	<u>Applicants Accepted</u>	<u>Enrolled</u>
2021	22,285	17,603	8,248
2022	22,026	17,998	8,624
2023	23,205	18,956	9,331
2024	26,220	20,969	11,393
2025	27,027	21,404	10,416

Source: Compiled by UNLV.

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

Enrollment and Residency Status – UNR

<u>Fall Term</u>	<u>Total Students</u>	<u>Residents</u>	<u>Percentage of Total</u>	<u>Non-Residents</u>	<u>Percentage of Total</u>
2021	21,034	15,180	72.2%	5,854	27.8%
2022	20,945	15,094	72.1	5,851	27.9
2023	21,778	16,033	73.6	5,745	26.4
2024	23,029	17,519	76.1	5,510	23.9
2025	24,061	18,811	78.2	5,250	21.8

Source: 2021-25 compiled by The System/UNR.

Enrollment and Residency Status – UNLV

<u>Fall Term</u>	<u>Total Students</u>	<u>Residents</u>	<u>Percentage of Total</u>	<u>Non-Residents</u>	<u>Percentage of Total</u>
2021	30,679	26,378	86.0%	4,301	14.0%
2022	30,660	26,458	86.3	4,202	13.7
2023	31,094	27,068	87.1	4,026	12.9
2024	32,911	28,873	87.7	4,038	12.3
2025	33,633	29,643	88.1	3,990	11.9

Source: 2021-25 compiled by The System/UNLV.

FTE Enrollments. The following tables show the total annualized full-time equivalent (“FTE”) undergraduate and graduate students enrolled at UNR and UNLV, respectively, during fiscal years 2020-21 through 2024-25. The FTE formula recognizes the different costs associated with various levels of education. Accordingly, FTE enrollments are calculated based upon 15 credits at the undergraduate level, 12 credits at the masters’ degree level and 9 credits at the doctorate degree level. FTE enrollments currently are calculated as of the last date of each semester.

FTE Enrollment – UNR

<u>Fiscal Year</u>	<u>Undergraduate Annualized FTE</u>	<u>Graduate Annualized FTE</u>	<u>Total Annualized FTE</u>
2021	14,344	1,793	16,137
2022	14,212	1,852	16,064
2023	14,122	1,912	16,034
2024	14,691	1,811	16,502
2025	15,336	1,860	17,197

Source: Official System Enrollment Reports.

FTE Enrollment – UNLV

<u>Fiscal Year</u>	<u>Undergraduate Annualized FTE</u>	<u>Graduate Annualized FTE</u>	<u>Total Annualized FTE</u>
2021	20,217	2,873	23,090
2022	19,853	2,848	22,701
2023	19,651	3,000	22,651
2024	20,158	3,204	23,362
2025	20,810	3,528	24,337

Source: Official System Enrollment Reports.

Student Financial Aid – The Universities

Financial aid at the System is awarded by individual System institutions generally in the form of a “package” consisting of grants, scholarships, loans and campus employment. State financial aid to students at both Universities for fiscal year 2024-25 was \$109,982,702. Federal financial aid to the Universities for fiscal year 2024-25 was \$353,012,569.

Student Financial Aid – 2024-25

	UNLV	UNR	TOTAL
STUDENTS RECEIVING FINANCIAL AID ⁽¹⁾	30,669	18,634	52,333
AWARDS IN EACH CATEGORY OF FINANCIAL AID ⁽²⁾			
Federal Aid	30,931	15,278	46,209
State of Nevada Aid ⁽³⁾	19,008	11,042	30,050
Institutional Aid	43,173	14,439	57,612
Private Scholarship and Other	<u>2,644</u>	<u>2,164</u>	<u>4,808</u>
TOTAL AWARDS OF FINANCIAL AID ⁽²⁾	95,756	42,923	138,679
DISBURSEMENTS OF FINANCIAL AID (\$)			
Federal Aid	\$236,099,024	\$116,913,545	\$353,012,569
State Aid	63,037,223	46,945,480	109,982,702
Institutional Aid	71,132,569	58,496,285	129,628,854
Private Aid	<u>21,813,384</u>	<u>17,214,085</u>	<u>39,027,469</u>
TOTAL DISBURSEMENTS OF FINANCIAL AID (\$)	\$392,082,200	\$239,569,395	\$631,651,595

(1) Annualized. Headcount is unduplicated across categories, except for students who received aid at more than one institution during the award year or earned wages as a student employee or graduate assistant in addition to one or more financial aid awards.

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

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

Source: Compiled by System Administration.

DEBT STRUCTURE

Outstanding Parity Bonds

As of March 1, 2026, the System has outstanding the following Parity Bonds.

	<u>Outstanding Parity Bonds⁽¹⁾</u>		
	<u>Original</u>	<u>Amount</u>	<u>Final</u>
	<u>Amount</u>	<u>Outstanding</u>	<u>Maturity</u>
2015B Bonds	\$7,480,000	\$830,000	07/01/26
2016A Bonds	57,750,000	43,370,000	07/01/38
2016B Bonds	13,580,000	9,005,000	07/01/36
2017A Bonds	25,905,000	21,340,000	07/01/40
2019A Bonds	18,640,000	16,820,000	07/01/49
2021 Bonds	35,705,000	31,150,000	07/01/51
2022 Bonds	21,905,000	15,655,000	07/01/32
2023 Bonds	77,285,000	61,055,000	07/01/35
2024 Bonds	32,275,000	31,475,000	07/01/43
2025 Bonds	39,910,000	<u>39,910,000</u>	07/01/35
Total		<u>\$270,610,000</u>	

(1) Does not reflect the issuance of the 2026 Bonds or the impact of the Refunding Project on the outstanding 2016A Bonds.

Source: The System.

Other Obligations of the System

The System also has outstanding certain existing or planned obligations which are not secured by Net Pledged Revenues. As of March 1, 2026, those obligations included the Outstanding Certificates, currently outstanding in the aggregate principal amount of \$251,930,000. See “INTRODUCTION – Security – Other Outstanding Obligations.”

In June 2023, NSHE entered into a long-term ground lease and sublease agreement for the construction and use of a new school of business building located on the principal campus of UNR in Reno. The term of the sublease agreement runs through fiscal year 2053 and requires NSHE to make annual payments of approximately \$9.6 million per year.

In August 2025, NSHE entered into a long-term ground lease and sublease agreement for the construction and use of a new indoor and outdoor fieldhouses and intramural field on the principal campus of UNR in Reno. The term of the sublease agreement runs through fiscal year 2056 and requires NSHE to make annual payments of approximately \$2.1 million per year.

The System also has outstanding, as of March 1, 2026, certain letters of credit (which are not secured by Universities Net Pledged Revenues), including a \$2,079,000 letter of credit acquired to fund the System’s obligations as a self-insured employer for its workers’ compensation liability pursuant to NRS 616B.300. See Notes 10-14 in the audited financial statements attached hereto as Appendix A for a description of the System’s long-term debt, capital and operating lease obligations and other non-current liabilities as of June 30, 2025.

Authorized but Unissued Obligations

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

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

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

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

Contemplated Projects for the Universities

UNLV is developing plans for campus infrastructure improvements, including relocation of facilities management, delivery services, reprographics and mail facilities, campus plazas and roadway and pedestrian improvements. UNLV is also developing plans and financial models for fine arts, interdisciplinary and business buildings. Timelines for these projects have not been established.

UNR is developing plans and financial models for a new Life Sciences building. UNR currently anticipates that the project will be partially financed with tax-exempt bonds.

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

Debt Service Requirements

The following schedule shows: (1) the debt service payable on the 2026 Bonds; (2) the debt service payable on the Prior Parity Bonds; and (3) the combined debt service on the 2026 Bonds and the Prior Parity Bonds. *The schedule shows debt service payable in each bond year ending July 1, not in the System's fiscal year.*

Debt Service Requirements⁽¹⁾

Fiscal Year Ending July 1 ⁽²⁾	<u>2026 Bonds</u>		Total Debt Service on Prior Parity Bonds ⁽³⁾	Total Debt Service
	<u>Principal</u>	<u>Interest</u>		
2026	--	\$219,253	\$29,873,100	\$30,092,353
2027	\$2,425,000	1,160,750	25,098,088	28,683,838
2028	2,550,000	1,039,500	25,122,538	28,712,038
2029	2,680,000	912,000	25,104,138	28,696,138
2030	2,815,000	778,000	24,939,113	28,532,113
2031	2,955,000	637,250	23,786,544	27,378,794
2032	3,105,000	489,500	23,798,194	27,392,694
2033	3,260,000	334,250	22,673,944	26,268,194
2034	3,425,000	171,250	18,748,794	22,345,044
2035	--	--	22,496,494	22,496,494
2036	--	--	12,435,619	12,435,619
2037	--	--	11,469,625	11,469,625
2038	--	--	11,465,138	11,465,138
2039	--	--	7,195,675	7,195,675
2040	--	--	7,201,275	7,201,275
2041	--	--	5,314,025	5,314,025
2042	--	--	5,308,975	5,308,975
2043	--	--	5,311,919	5,311,919
2044	--	--	2,709,400	2,709,400
2045	--	--	2,705,500	2,705,500
2046	--	--	2,705,138	2,705,138
2047	--	--	2,703,194	2,703,194
2048	--	--	2,704,669	2,704,669
2049	--	--	2,704,413	2,704,413
2050	--	--	1,687,425	1,687,425
2051	--	--	1,689,188	1,689,188
TOTAL	\$23,215,000	\$5,741,153	\$326,952,119	\$355,908,872

(1) Totals may not add due to rounding.

(2) Based on the Bond Year ending July 1st of each year, not on the System's fiscal year. Includes payments of interest on January 1 of the calendar year shown and payments of principal and interest on July 1 of that year.

(3) Reflects the issuance of the 2026 Bonds and the impact of the Refunding Project on the outstanding 2016A Bonds.

Source: The System, compiled by the Municipal Advisor.

SYSTEM FINANCIAL INFORMATION

Financial Management

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

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

Budget

General. The System operates under a biennial budget system prescribed by the State. See "STATE FINANCIAL, ECONOMIC AND DEMOGRAPHIC INFORMATION – Certain Financial Information – State General Fund – Budget Procedure." The fiscal year begins on July 1 of each year and the biennium begins on July 1 of each odd numbered year. After the biennial budget is set by the Legislature, the System develops an operating budget for each year of the biennium. The current biennium began July 1, 2025.

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

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

Pursuant to the authorized expenditure bill for the 2025-27 biennium (“SB501”), the System may expend any additional registration fees collected from students for the purpose of meeting salaries and related benefits for incremental instructional faculty necessary as a result of registering additional students beyond budgeted enrollments. The System also may expend, with the approval of the Interim Finance Committee, any additional nonresident tuition fees and any additional registration fees not utilized for incremental instructional faculty costs in addition to the authorized amounts for the respective years of the biennium. The System may also expend, with the approval of the Interim Finance Committee, any additional registration and nonresident fees resulting from the imposition of fee increases.

2025-27 Biennial Budgets. The 2025 Legislature appropriated General Funds for the benefit of the System of \$938.6 million for fiscal year 2026 and \$926.7 million for fiscal year 2027. The fiscal year 2026 and fiscal year 2027 appropriated amounts represent an increase in general fund support over fiscal year 2025 of 6.9% and 5.5%, respectively. In fiscal year 2025, net general fund appropriations accounted for 69.5% of the total State Supported Operating Budget compared to 68.1% and 66.7% in fiscal year 2026 and fiscal year 2027, respectively. A table showing the 2025-27 biennial general fund appropriations, as compared to the 2023-25 biennium, is set forth below.

(in millions)	<u>2023-2024</u>	<u>2024-2025</u>	<u>2025-2026</u>	<u>2026-2027</u>
General Fund	\$793.2	\$757.2	\$938.6	\$926.7
COLA Increase	<u>59.7</u>	<u>121.2</u>	<u>0.0</u>	<u>0.0</u>
Total	\$852.9	\$878.4	\$938.6	\$926.7

Formula Funding and Allocation. The 2025 Legislature chose not to fund the System’s request to phase-in the implementation of the revised distribution model as recommended by the Chancellor’s ad hoc Committee on Higher Education Funding and approved by the Board of Regents. Instead, the Legislature continued the practice followed by the 2023 Legislature and continued the suspension of the funding formula distribution component and allocated General Fund appropriations using the traditional base, maintenance, and enhancement decision unit model.

Small Institution Factor. Regarding the small institution factor, the Legislature approved the budget policy changes recommended by the Governor to increase the small institution factor threshold from 100,000 to 125,000 weighted student credit hours and to apply the Higher Education Price Index inflationary factor on an ongoing basis to the annual weighted student credit hour value used for the small institution factor. As a result, the Legislature authorized General Fund appropriations of \$569,428 for Western Nevada College and \$2.1 million for Great Basin College over the 2025-27 biennium.

Research O&M. The Legislature approved General Fund appropriations totaling \$12.3 million in each year of the 2025-27 biennium for UNR and UNLV to fund research space operations and maintenance funding, inclusive of new General Fund appropriations of \$1.0 million in each fiscal year of the 2025-27 biennium to support additional research space identified by UNR.

Performance Funding. The 2025 Legislature discontinued the performance funding set-aside of 20% from each institution’s base general fund appropriation that would be earned back based upon performance criteria recommended by the Board of Regents. As a result, the

instructional budgets for fiscal year 2026 and fiscal year 2027 will receive 100% of their Legislatively authorized general fund appropriations ‘up front’ so they may fully plan expenditures accordingly. Nonetheless, a carry-over from the 2023-25 legislative appropriations includes fiscal year 2025 performance funds that were “unearned” by the College of Southern Nevada based on their fiscal year 2023 performance outcomes. As a result, the performance fund carried forward \$225,307 of “unearned’ funds, which will be available for scholarship awards in FY27.

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

Budget Summary of Appropriated Funds

	<u>2022-2023</u>		<u>2023-2024</u>		<u>2024-2025</u>		<u>2025-2026</u>		<u>2026-2027</u>	
	<u>State⁽¹⁾</u>	<u>Other Revenue Sources⁽²⁾</u>	<u>State⁽¹⁾</u>	<u>Other Revenue Sources⁽²⁾</u>	<u>State⁽¹⁾</u>	<u>Other Revenue Sources⁽²⁾</u>	<u>State⁽¹⁾</u>	<u>Other Revenue Sources⁽²⁾</u>	<u>State⁽¹⁾</u>	<u>Other Revenue Sources⁽²⁾⁽³⁾</u>
General	\$537,806,827	\$417,821,766	\$746,610,642	\$358,200,435	\$758,012,757	\$370,737,497	\$793,206,064	\$394,035,187	\$781,963,192	\$416,247,920
Statewide Programs	11,001,079	531,081	11,040,777	531,081	16,213,972	--	16,575,977	--	16,529,349	--
Intercollegiate Athletics	11,780,429	49,423	11,796,159	49,423	14,028,809	--	14,383,880	--	14,370,710	--
Agric. Experiment Station	4,951,427	2,154,029	4,978,460	2,154,029	6,512,613	2,014,835	7,229,132	2,597,127	7,192,232	2,597,127
Coop. Extension Services	3,674,437	2,266,953	3,700,628	2,266,953	5,051,881	2,096,643	4,974,948	2,158,463	4,945,036	2,181,007
State Health Lab	1,583,057	58,115	1,594,127	58,115	2,030,155	--	2,210,917	--	2,200,687	--
School of Medicine	<u>69,990,781</u>	<u>15,527,590</u>	<u>70,312,217</u>	<u>15,527,590</u>	<u>97,090,108</u>	<u>12,986,134</u>	<u>100,041,997</u>	<u>41,891,689</u>	<u>99,469,611</u>	<u>42,316,974</u>
TOTAL SYSTEM	\$640,788,037	\$438,408,957	\$850,033,010	\$378,787,626	\$898,940,295	\$387,835,109	\$938,622,915	\$440,682,466	\$926,670,817	\$463,343,028

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

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

(3) Does not include increase in Registration Fees approved by the Board in January 2026.

Source: The System.

Sources of Funds

General. As illustrated in the table in “Financial Statements and Historical Financial Information” below, the System receives revenues from a variety of sources. The major sources of System operating revenues are discussed in more detail below. See, also “SECURITY FOR THE 2026 BONDS – Sources of System Revenues” for additional discussion of these sources, including whether the related revenues constitute legally available funds for the payment of principal and interest on the 2026 Bonds. In addition to operating revenues, the System receives revenues (classified as non-operating revenues for accounting purposes) from other sources, primarily State appropriations.

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

Tuition and Fees. The major components of this source are the Student Fees and the Activities and Program Fund Fees. Non-resident students are charged tuition in addition to the student fees. Tuition and fees (net of scholarship allowances) accounted for 38.1% of the System’s total operating revenues for the fiscal year ended June 30, 2025.

Grants and Contracts. The United States government and various other State, local and private sponsoring agencies through various grant and contract programs accounted for 36.7% of the System’s total operating revenues for the fiscal year ended June 30, 2025. The use of such funds is usually limited to specific projects and is not included in the budgets or work programs for the System. Such revenues include grants and contracts for research, public service, instruction and training programs, fellowships, scholarships, endowment scholarship programs, and student aid programs, and grants for construction projects.

Sales and Services - Educational Departments. Various System departments provide services and products to the student body and, in some instances, to the community, for which payment is received. These include revenues from the sale of maps, copying services, diplomas, binding, and the like. Sales and services accounted for 16.8% of the System’s total operating revenues for the fiscal year ended June 30, 2025.

Auxiliary Enterprises. This source represents income earned by the System on its income producing operations such as event centers, bookstores, housing, food service and certain other operations. The income from the operation of the auxiliary enterprises usually equals or exceeds the cost of the auxiliary enterprises. Auxiliary enterprises accounted for 7.6% of the System’s total operating revenues for the fiscal year ended June 30, 2025.

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

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

classified as non-operating revenues. Nonetheless, State appropriations remain a significant source of System funding.

For the fiscal year ended June 30, 2025, State appropriations were \$903.7 million. This represents an increase of \$89.1 million, or 10.9% over State appropriations in fiscal year 2024, respectively. State law does not provide for a specific level of appropriation in any biennium. See the discussions in “Budget” above, “CERTAIN RISK FACTORS – System Appropriations,” and “STATE FINANCIAL, ECONOMIC AND DEMOGRAPHIC INFORMATION – Certain Financial Information – State General Fund – Recent and Current State Budgets.”

Financial Statements and Historical Financial Information

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

The audited financial statements for the year ended June 30, 2025, attached hereto as Appendix A, represents the most recent audited financial information available for the System. The System financial highlights from 2024 to 2025 (in \$1,000’s) is as follows.

- Total net position increased by 6.7% from \$2,031,257 to \$2,168,320;
- Capital assets decreased by 1.4% from \$2,807,992 to \$2,769,305;
- Operating revenues increased by 8.7% from \$1,233,136 to \$1,340,014;
- Nonoperating revenues increased by 11.4% from \$1,135,862 to \$1,265,689; and
- Operating expenses increased by 6.6% from \$2,394,841 to \$2,552,649.

The audited financial statements for the year ended June 30, 2025, attached hereto as Appendix A, represents the most recent audited financial information available for the System. The financial statements of the System for prior years are available for inspection at the System offices (see “INTRODUCTION – Additional Information”). The information in these tables should be read together with the System’s audited financial statements and accompanying notes for each respective fiscal year.

The information in the following table has been derived from the information contained in System’s audited financial statements for the fiscal years ended June 30, 2021 through 2025. The information in the following table represents the financial results of the Universities, Nevada State University, the Community Colleges and the DRI, excluding the legally separate campus foundations and medical school practice plans (the “System-Related Organizations”).

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

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Operating Revenues					
Tuition and fees (net) ⁽²⁾	\$473,526	\$477,348	\$461,029	\$458,320	\$510,119
Federal grants and contracts	227,581	268,295	294,542	345,960	355,359
State grants and contracts	61,464	52,260	53,625	72,231	87,213
Local grants and contracts	4,707	3,645	3,227	3,918	1,861
Other grants and contracts	33,529	39,655	43,734	46,671	47,147
Sales & services of educational departments ⁽³⁾	141,779	174,138	173,894	200,496	225,524
Sales and services of auxiliary enterprises ⁽⁴⁾	42,657	80,445	91,007	90,239	102,218
Interest earned on loans receivable	134	171	87	85	81
Other operating revenues	13,614	11,046	12,037	15,216	10,492
Total operating revenues	998,991	1,107,003	1,133,095	1,233,136	1,340,014
Operating Expenses					
Employee compensation and benefits	1,268,037	1,245,173	1,392,160	1,573,670	(1,702,001)
Utilities	24,339	30,109	41,922	46,285	(35,610)
Supplies and services	345,650	448,976	469,557	496,308	(511,510)
Scholarships and fellowships	129,133	195,329	104,145	112,760	(126,909)
Depreciation	120,649	132,841	153,686	165,818	(175,619)
Other operating expenses	--	--	--	--	--
Total operating expenses	1,887,808	2,052,428	2,161,470	2,394,841	(2,552,649)
Operating (loss)	(888,817)	(945,425)	(1,028,375)	(1,161,705)	(1,212,635)
Non-operating Revenues (Expenses)					
State appropriations	550,638	639,655	647,949	814,633	903,739
Gifts ⁽⁴⁾	55,093	52,702	61,984	64,930	79,621
Investment income (loss), net	204,357	(79,347)	84,090	115,201	121,679
Disposal of capital assets	2,141	(5,189)	2,229	(1,827)	(14,139)
Interest expense	(26,973)	(26,577)	(26,925)	(27,166)	(24,078)
Interest revenue	--	--	1,257	2,103	1,367
Payments to System campuses and divisions	--	--	(54,704)	(26)	--
Federal grants and contracts	262,331	354,066	201,112	148,643	--
Other non-operating revenues	(6,742)	2,700	10,288	19,371	7,562
Net non-operating revenues	1,040,845	938,010	927,280	1,135,862	1,265,689
Income (Loss) before other revenue, expenses, gains or losses	152,028	(7,415)	(101,095)	(25,843)	53,054
State appropriations for capital purposes ⁽⁵⁾	(17,345)	(5,627)	19,438	52,238	39,144
Capital grants and gifts	26,464	15,591	20,168	17,215	43,011
Return of Capital Gifts	--	(29)	(2)	(110)	--
Additions to permanent endowment	218	647	547	2,692	1,854
Extraordinary Item – Insurance Recoveries	--	--	--	--	--
Extraordinary Item – Gain on Impairment of Capital Assets	--	--	--	--	--
Total other revenues	9,337	10,582	40,151	72,035	84,009
Increase (decrease) in net position	161,365	3,167	(60,944)	46,192	137,063
NET POSITION - beginning of year-as originally reported	1,873,007	2,034,372	2,037,539	1,985,065	--
Restatement for effect of changes in reporting entity	--	--	8,470	--	--
NET POSITION - beginning of year-as restated	1,873,007	2,034,372	2,046,009	1,985,065	\$231,257
NET POSITION - end of year	\$2,034,372	\$2,037,539	\$1,985,065	\$2,031,257	\$2,168,320

(1) These amounts represent the financial results for the entire System, including the Universities, Nevada State University, the Community Colleges and the DRI, but exclude results for the legally separate campus foundations and medical school practice plans (i.e., the System-Related Organizations).

(2) Net of scholarship allowances (in thousands): 2021-\$211,091; 2022-\$209,511, 2023-\$224,417, 2024-\$243,646, and 2025-\$261,509.

(3) Includes amounts received from System Related Organizations. See the basic financial statements in Appendix A.

(4) Net of scholarship allowances (in thousands): 2021-\$3,886, 2022-\$10,516, 2023-\$9,756, 2024-\$11,212, and 2025-\$18,541.

(5) Negative amounts reflect unused appropriations that revert to the State.

Source: Derived from information included in the System's Audited Financial Statements for the fiscal years ended June 30, 2021 through 2025.

Investment Policy

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

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

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

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

As of December 31, 2025, the System had approximately \$927.2 million of operating funds invested pursuant to the above investment policies.

Endowment Funds. The investment objectives of the endowment fund are to provide a relatively stable stream of spendable revenue that increase over time at least as fast as the general rate of inflation, as measured by the Consumer Price Index.

The endowment fund is allocated between four categories: growth assets, diversifiers, real assets and fixed income and cash assets. Growth assets such as public equity, private equity, venture capital and hedge funds provide long-term capital appreciation and a growing income stream; diversifying assets such as absolute return hedge funds, liquid alternatives, emerging market debt and private diversifiers provide equity like returns with low equity correlation and lower levels of risk than Growth Assets. An allocation to Real Assets such as public and private investments in real estate, oil and gas, natural resources equity commodities is used to protect the portfolio against the risk of unanticipated severe inflation and an allocation to fixed income and cash assets provide a hedge against extended deflation and ready liquidity. Board policy sets normal allocation and ranges for each type of portfolio. The target allocation for the Growth Assets is 62%; a 50-70% range is permitted. The target allocation for the Diversifier Assets is 18%; a 5%-25% range is permitted. The target allocation to Real Assets within the fund is 10%; a 5%-20% range is permitted. The target allocation for fixed income and cash is 10% with a permitted range of 5%-25%.

The NSHE permanent endowment fund (which includes quasi-endowment) was established July 1, 1984, with a total market value of approximately \$20 million. As of December 31, 2025, the market value of the permanent endowment was approximately \$383.7 million. The UNLV Foundation and UNR Foundation permanent endowment funds (which include quasi-endowments) have total market values of \$381.8 million and \$442.1, respectively, as of June 30, 2025.

Liability Insurance

The System is insured for general liability, automobile liability and errors and omissions coverage through a program of self-insurance administered by the State. The System pays the State approximately \$1.5 million per year in premiums and the State pays the System's liability claims. Pursuant to State statute (NRS Section 41.035), an award for damages in an action sounding in tort against the System may not include any amount as exemplary or punitive damages and is limited to (a) \$100,000 per cause of action prior to July 1, 2020, (b) \$150,000 per cause of action on or after July 1, 2020, but before July 1, 2022, and (c) \$200,000 per cause of action on or after July 1, 2022. The limitation does not apply to federal actions brought under federal law such as civil rights actions under 42 U.S.C. Section 1983 and actions under The Americans with Disabilities Act of 1990 (P.L. 101-336), or to actions in other states. The System also participates in an excess liability insurance program with the State that has limits of \$10 million aggregate (auto liability, commercial general liability, educators legal and employment practices liability, law enforcement liability, and public officials and employment practices liability); excess of \$10 million self-insured retention. For medical malpractice, the System is fully insured in the amount of \$1 million per occurrence and \$3 million annual aggregate. The System carries property insurance in the amount of \$1 billion per occurrence (except various sub-limits stated in the general provisions of the policy including flood, earthquake and wind). This insurance has a \$500,000 per occurrence deductible (except as stated in the general provisions of the policy for flood, earthquake and wind). The System purchases statutory coverage excess of \$1,000,000 per occurrence of self-insured retention for workers' compensation. The System's Risk Manager believes this coverage is adequate for the System's needs.

Cyber-Security

The System, like other large public and private entities, relies on a large and complex technology environment to conduct its operations. As a recipient and provider of personal, private or sensitive information, the System is a potential target for a variety of cyber threats, including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the System's digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage. Recognizing the potential damage that could be caused by any such attacks, the System has established the System Computing Services Information Security Office (SCS-ISO) as the primary source for the System's cybersecurity readiness and awareness. The SCS-ISO has promulgated cyber-security policies and guidelines for System agencies and provides industry-recognized training for System employees. In addition, the System has procured the insurance coverage for data breaches and other security and privacy incidents with a \$15 million limit and \$500,000 deductible. Nevertheless, no assurance can be given that the System's efforts to manage cyber threats and attacks will be successful or that any such attack will not materially impact the operations or finances of the System.

Retirement Plans and Other Post-Employment Benefits

Retirement Plans. The System is a public employer under the State Public Employees' Retirement System ("PERS"), which covers substantially all public employees of the State, its agencies and its political subdivisions, including almost all of the permanent employees of the System. All classified employees and some professional employees are covered under PERS. Those professional employees not covered by PERS are covered by three self-directed alternative plans. In fiscal year 2025, such professional employees contribute 17.5% of their salary into the alternative plans, which are matched by the System and vested immediately. The alternative plans are defined contribution plans, and hence have no unfunded liability.

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

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

PERS Benefit Multiplier

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

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

Nevada PERS Retirement Eligibility

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

State law requires PERS to conduct a biennial actuarial valuation showing unfunded actuarial accrued liability (“UAAL”) and the contribution rates required to fund PERS on an actuarial reserve basis. The actual employer and employee contribution rates are established in cycle with the State’s biennium budget on the first full pay period of the even numbered fiscal years. By PERS policy, the system actually performs an annual actuary study. The most recent independent actuarial valuation report of PERS was completed as of June 30, 2024. The following table reflects some of the key valuation results from the last three PERS actuary studies:

PERS Actuarial Report

<u>Key Valuation Results</u>	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>
UAAL	\$19.95 billion	\$20.13 billion	\$18.80 billion
Market Value Funding Ratio	80.5%	78.1%	76.2%
Actuarial Value Funding Ratio	77.3%	75.6%	75.4%
Assets Market Value	\$70.20 billion	\$63.80 billion	\$58.32 billion
Assets Actuarial Value	\$68.03 billion	\$62.40 billion	\$57.77 billion

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

The following presents the net pension liability of PERS as of June 30, 2024, and the System's proportionate share of the net pension liability of PERS as of June 30, 2025, calculated using the discount rate of 7.25%, as well as what the System's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one percentage point higher (8.25%) than the current discount rate:

<u>Net Pension Liability</u>			
<u>(\$000s)</u>			
	<u>1% Decrease in</u> <u>Discount Rate (6.25%)</u>	<u>Discount Rate (7.25%)</u>	<u>1% Increase in</u> <u>Discount Rate (8.25%)</u>
PERS Net Pension Liability	\$29,055,349	\$18,067,887	\$9,003,110
System Share of PERS Net Pension Liability	881,423	548,108	273,118

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

	<u>Fiscal Years</u> <u>2018 and 2019</u>	<u>Fiscal Years</u> <u>2020 and 2021</u>	<u>Fiscal Years</u> <u>2022 and 2023</u>	<u>Fiscal Years</u> <u>2024 and 2025</u>	<u>Fiscal Years</u> <u>2026 and 2027</u>
Regular members	28.00%	29.25%	29.75%	33.5%	36.75%
Police/fire members	40.50	42.50	44.0	50.0	58.65

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

The System's contributions to all retirement plans for the year ended June 30, 2025 was approximately \$49,240 (in thousands) in PERS, and \$131,336 (in thousands) in retirement plan alternatives equal to the required contribution for the year.

Other Post-Employment Benefits. State employees (including the System's employees) have the option upon retirement to continue group health and life insurance benefits provided by the Public Employees' Benefits Program (the "PEBP"). The System's professional employees not participating in PERS also participate in the PEBP. See Note 19 in the audited financial statements attached hereto as Appendix A.

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

LEGAL MATTERS

Litigation

The System's staff attorneys reported that the System or its officers and employees were parties to lawsuits in addition to those described below. The System's Chief General Counsel, after consultation with the System's Chief Financial Officer, states that, as of the date hereof, to the best of his knowledge, there is no pending or threatened litigation which would restrain or enjoin the issuance of the 2026 Bonds or the collection of the Net Pledged Revenues. The System is, however, subject to certain pending and threatened litigation regarding various other matters arising in the ordinary course of its business operations. In view of the financial condition of the System and based on the information provided by the staff attorneys and the System's Chief Financial Officer, it is the opinion of the System's Chief General Counsel that the pending or threatened litigation will not result in final judgments against the System which would, individually or in the aggregate, materially adversely affect repayment of the 2026 Bonds or materially impact the Net Pledged Revenues or the operations or finances of the System.

Some of the actions pending against the System are based upon the State's (or its agents') negligence or tort liability in which the System must be named as a party defendant. The Nevada System of Higher Education is self-insured for General, Automobile and Professional liability exposures funded by the State of Nevada. The self-insurance program is administered by the Nevada Attorney General's Office. Claims are handled in accordance with Chapter 41 of the Nevada Revised Statutes. NRS 41.035 limits the System's liability in actions sounding in tort to \$150,000 per claim for causes of action arising on or after July 1, 2020, and \$200,000 per claim for causes of action arising on or after July 1, 2022. The State of Nevada and NSHE have a Public Entity Retained Limit Liability Policy in excess of a \$10,000,000 self-insured retention.

Ostrander et al. v. State of Nevada et al., Washoe County District Court Case No. CV20-00922 / Nevada Supreme Court Case No. 84859. During the Spring 2020 semester, in accordance with the Governor's declaration of emergency and related directives, the System closed its campuses and began providing educational instruction remotely. In June 2020, the System was served with a COVID-19 tuition and fee refund class action lawsuit. This class action is brought by a single plaintiff alleging breach of contract on behalf of herself and all similarly situated individuals at six System institutions, comprised of colleges and universities. Plaintiff alleges that

the System had contracts with its students for in-person learning and breached those contracts when its institutions of higher education closed their public campus facilities, including residential housing, and pivoted to a remote learning environment as a result of the government-ordered shut down in Spring 2020. Plaintiffs allege the contractual terms are set forth in unspecified marketing materials, catalogs, and websites. Further, Plaintiffs allege the System has been unjustly enriched by the classes' payment of tuition and fees and the System's refusal to refund prorated fees tied to on-campus services and amenities, notwithstanding the fact that classes never stopped and educational resources were provided remotely. Because this is a breach of contract case, the aforementioned statutory limit of tort liability does not apply to this action and it is not covered by insurance. As such, the potential liability associated with this matter is unascertainable at this time.

Approval of Certain Legal Proceedings

The approving opinion of Taft Stettinius & Hollister LLP, as Bond Counsel, will be delivered with the 2026 Bonds. A form of the bond counsel opinion is attached to this Official Statement as Appendix E. The opinion will include a statement that the obligations of the System and the Board are subject to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of the powers delegated to it by the federal constitution, including bankruptcy. Taft Stettinius & Hollister LLP has also acted as Special Counsel to the System in connection with this Official Statement. The System's Chief General Counsel will certify to certain matters for the System.

Police Power

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

Sovereign Immunity and Tort Claims

Pursuant to State statute (NRS Section 41.035), as amended by Senate Bill 245 passed during the 2019 Legislative Session, an award for damages in an action sounding in tort against the System may not include any amount as exemplary or punitive damages and is limited to (a) \$100,000 per cause of action prior to July 1, 2020, (b) \$150,000 per cause of action on or after July 1, 2020, but before July 1, 2022, and (c) \$200,000 per cause of action on or after July 1, 2022. See "SYSTEM FINANCIAL INFORMATION – Liability Insurance." The limitation may not apply to certain federal actions brought under federal law such as civil rights actions under 42 U.S.C. Section 1983 and actions under the Americans with Disabilities Act of 1990 (P.L. 101-336).

TAX MATTERS

Federal Tax Matters

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described below, interest on the 2026 Bonds is excluded from gross income pursuant to Section 103 of the Tax Code, and interest on the 2026 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b) of the Tax Code; however, to the extent such interest is included in calculating the “adjusted financial statement income” of “applicable corporations” (as defined in Sections 56A and 59(k), respectively, of the Tax Code), such interest is subject to the alternative minimum tax applicable to those corporations under Section 55(b) of the Tax Code. For purposes of this paragraph and the succeeding discussion, “interest” includes the original issue discount on certain of the 2026 Bonds only to the extent such original issue discount is accrued as described herein.

The Tax Code imposes several requirements which must be met with respect to the 2026 Bonds in order for the interest thereon to be excluded from gross income and alternative minimum taxable income. Certain of these requirements must be met on a continuous basis throughout the term of the 2026 Bonds. These requirements include: (a) limitations as to the use of proceeds of the 2026 Bonds; (b) limitations on the extent to which proceeds of the 2026 Bonds may be invested in higher yielding investments; and (c) a provision, subject to certain limited exceptions, that requires all investment earnings on the proceeds of the 2026 Bonds above the yield on the 2026 Bonds to be paid to the United States Treasury. The System will covenant and represent in the Bond Resolution that it will take all steps to comply with the requirements of the Tax Code to the extent necessary to maintain the exclusion of interest on the 2026 Bonds from gross income and alternative minimum taxable income under such federal income tax laws in effect when the 2026 Bonds are delivered. Bond Counsel’s opinion as to the exclusion of interest on the 2026 Bonds from gross income and alternative minimum taxable income is rendered in reliance on these covenants and assumes continuous compliance therewith. The failure or inability of the System to comply with these requirements could cause the interest on the 2026 Bonds to be included in gross income, alternative minimum taxable income or both from the date of issuance. Bond Counsel’s opinion also is rendered in reliance upon certifications of the System and other certifications furnished to Bond Counsel. Bond Counsel has not undertaken to verify such certifications by independent investigation.

Section 55 of the Tax Code contains a 15% alternative minimum tax on the “adjusted financial statement income” of “applicable corporations” (as those terms are defined in Sections 56A and 59(k), respectively, of the Tax Code). “Applicable corporations” are generally corporations with average annual adjusted financial statement income over a three-year period of \$1 billion or more. “Adjusted financial statement income” generally means the net income or loss of a corporation (including interest on the 2026 Bonds) as set forth on the corporation’s applicable financial statement, adjusted as provided in Section 56A of the Tax Code. Corporations should consult their tax advisors about whether the corporation is an “applicable corporation” and if the corporation is such an applicable corporation, about the calculation of “adjusted financial statement income” and the alternative minimum tax for the corporation.

The Tax Code contains numerous provisions which may affect an investor’s decision to purchase the 2026 Bonds. Owners of the 2026 Bonds should be aware that the ownership of tax-exempt obligations by particular persons and entities, including, without

limitation, financial institutions, insurance companies, recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, foreign corporations doing business in the United States and certain “subchapter S” corporations may result in adverse federal and state tax consequences. Under Section 3406 of the Tax Code, backup withholding may be imposed on payments on the 2026 Bonds made to any owner who fails to provide certain required information, including an accurate taxpayer identification number, to certain persons required to collect such information pursuant to the Tax Code. Backup withholding may also be applied if the owner underreports “reportable payments” (including interest and dividends) as defined in Section 3406, or fails to provide a certificate that the owner is not subject to backup withholding in circumstances where such a certificate is required by the Tax Code. Certain of the 2026 Bonds were sold at a premium, representing a difference between the original offering price of those 2026 Bonds and the principal amount thereof payable at maturity. Under certain circumstances, an initial owner of such bonds (if any) may realize a taxable gain upon their disposition, even though such bonds are sold or redeemed for an amount equal to the owner’s acquisition cost. Bond Counsel’s opinion relates only to the exclusion of interest (and, to the extent described above for the Discount Bonds, original issue discount) on the 2026 Bonds from gross income and alternative minimum taxable income as described above and will state that no opinion is expressed regarding other federal tax consequences arising from the receipt or accrual of interest on or ownership of the 2026 Bonds. Owners of the 2026 Bonds should consult their own tax advisors as to the applicability of these consequences.

The opinions expressed by Bond Counsel are based on existing law as of the delivery date of the 2026 Bonds. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to pending or proposed legislation. Amendments to the federal or state tax laws may be pending now or could be proposed in the future that, if enacted into law, could adversely affect the value of the 2026 Bonds, the exclusion of interest (and, to the extent described above for the original issue discount) on the 2026 Bonds from gross income or alternative minimum taxable income or both from the date of issuance of the 2026 Bonds or any other date, the tax value of that exclusion for different classes of taxpayers from time to time, or that could result in other adverse tax consequences. In addition, future court actions or regulatory decisions could affect the tax treatment or market value of the 2026 Bonds. Owners of the 2026 Bonds are advised to consult with their own tax advisors with respect to such matters.

The Internal Revenue Service (the “Service”) has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the 2026 Bonds. If an audit is commenced, the market value of the 2026 Bonds may be adversely affected. Under current audit procedures the Service will treat the System as the taxpayer and the 2026 Bond owners may have no right to participate in such procedures. The System has covenanted in the Bond Resolution not to take any action that would cause the interest on the 2026 Bonds to lose its exclusion from gross income for federal income tax purposes or lose its exclusion from alternative minimum taxable income except to the extent described above for the owners thereof for federal income tax purposes. None of the System, the Municipal Advisor, the Initial Purchaser, Bond Counsel or Special Counsel is responsible for paying or reimbursing any 2026 Bond holder with respect to any audit or litigation costs relating to the 2026 Bonds.

State Tax Exemption

The 2026 Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS.

RATINGS

Moody's Investors Service ("Moody's") and S&P Global Ratings ("S&P") have assigned the 2026 Bonds the respective ratings shown on the cover page of this Official Statement. An explanation of the significance of any ratings given by S&P may be obtained from S&P at 55 Water Street, New York, New York 10041. An explanation of the significance of any ratings given by Moody's may be obtained from Moody's at 7 World Trade Center at 250 Greenwich Street, New York, NY 10007.

There is no assurance that such ratings will continue for any given period of time or that they will not be lowered or withdrawn entirely if, in the judgment of the rating agencies, circumstances so warrant. Other than the System's obligations under the Disclosure Certificate, neither the System nor the Municipal Advisor has undertaken any responsibility either to bring to the attention of the owners of the 2026 Bonds any proposed change in or withdrawal of such ratings or to oppose any such proposed revision. Any such change in or withdrawal of the ratings could have an adverse effect on the market price of the 2026 Bonds.

INDEPENDENT ACCOUNTANTS

The financial statements of the System as of and for the fiscal year ended June 30, 2025, included herein as Appendix A, have been audited by Eide Bailly LLP, certified public accountants, as stated in their report appearing herein.

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

MUNICIPAL ADVISOR

JNA Consulting Group, LLC is serving as the Municipal Advisor to the System in connection with the 2026 Bonds. See "INTRODUCTION – Additional Information" for contact information for the Municipal Advisor. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in the Official Statement, or any other related information available to the System, with respect to the accuracy and completeness of disclosure of such information, and no guaranty, warranty or other representation is made by the Municipal Advisor respecting accuracy and completeness of the Official Statement or any other matter related to the Official Statement.

UNDERWRITING

The System sold the 2026 Bonds at public sale to Cabrera Capital Markets LLC at a price of \$25,370,108.10 (equal to the par amount of the 2026 Bonds, plus original issue premium of \$2,180,644.60, and less underwriter's discount of \$25,536.50).

OFFICIAL STATEMENT CERTIFICATION

The undersigned official of the System hereby confirms and certifies that the execution and delivery of this Official Statement and its use in connection with the offering and sale of the 2026 Bonds have been duly authorized by the Board.

**FOR AND ON BEHALF OF THE NEVADA
SYSTEM OF HIGHER EDUCATION**

By: /s/ Matt McNair
Chancellor

APPENDIX A

**AUDITED FINANCIAL STATEMENTS OF THE SYSTEM
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

Nevada System of Higher Education Financial Statements



June 30, 2025

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

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

Nevada State University
Truckee Meadows Community College
System Administration

NEVADA SYSTEM OF HIGHER EDUCATION

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Ms. Stephanie Goodman, Vice Chair

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Ms. Keri Nikolajewski, Chief of Staff to the Board

OFFICERS OF THE NEVADA SYSTEM OF HIGHER EDUCATION

Mr. Matt McNair, Chancellor
Nevada System of Higher Education

Mr. Brian Sandoval, President
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Dr. Amber Lopez Lasater,
Acting President
Nevada State University

**NEVADA SYSTEM OF HIGHER EDUCATION
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2025
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**NEVADA SYSTEM OF HIGHER EDUCATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

INTRODUCTION

BACKGROUND

The Nevada System of Higher Education (NSHE), established by the Nevada State Constitution of 1864, is state supported, and controlled by the Board of Regents whose duties are prescribed by Law. Instruction began at the University of Nevada in 1874. NSHE teaching institutions are fully accredited by the Northwest Association of Schools and Colleges. Eight separate institutions and a system administration office comprise NSHE and include:

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

There are eight controllers' offices within the NSHE located in Reno, Carson City, Elko, Las Vegas, and Henderson. In addition to the controllers' offices, two business centers (Business Center North (BCN) in Reno, Business Center South (BCS) in Las Vegas) and purchasing offices at UNLV and CSN provide the purchasing and property management functions for the NSHE institutions and administration.

The controllers' offices are responsible for the financial management of the institutions. The Office of Contracts and Grants or Sponsored Programs within the respective institutions are responsible for the maintenance of financial records and compliance with terms and conditions of the grants that are generally applicable. Compliance with terms and conditions applicable to certain grants and other agreements is the specific responsibility of the relevant principal investigator.

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

Medicine. UNR offers major fields of study leading to baccalaureate and advanced degrees through the academic departments in the various schools and colleges.

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

Research activities are conducted primarily at UNR, UNLV, and DRI. NSHE has been awarded research grants by various Federal agencies. The primary agencies from which these funds were received during the year ended June 30, 2025, were:

- Department of Agriculture
- Department of Commerce
- Department of Defense
- Department of Education
- Department of Energy
- Department of Veteran Affairs
- Environmental Protection Agency
- Department of Health and Human Services
- Department of Homeland Security
- Department of Housing and Urban Development
- Department of Interior
- Department of Justice
- National Aeronautics and Space Administration
- National Endowment for the Humanities
- National Science Foundation
- Department of State
- Department of Transportation

In addition, student financial aid funds were received under the Federal campus-based and Pell programs.

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Independent Auditor's Report

To the Board of Regents
Nevada System of Higher Education
Reno, Nevada

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the Nevada System of Higher Education (the "System") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the System, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the following as of June 30, 2025, and for the year then ended:

- College of Southern Nevada Foundation, which represents 0.74% of total assets and deferred outflows of resources, 0.81% of net position, and 0.65% of revenues of the aggregate discretely presented component units;
- Desert Research Institute Foundation, which represents 0.19% of total assets and deferred outflows of resources, 0.21% of net position, and 0.59% of revenues of the aggregate discretely presented component units;
- Desert Research Institute Research Parks LTD, which represents 0.00% of total assets and deferred outflows of resources, 0.00% of net position, and 0.02% of revenues of the aggregate discretely presented component units;
- Great Basin College Foundation, which represents 0.91% of total assets and deferred outflows of resources, 1.00% of net position, and 0.70% of revenues of the aggregate discretely presented component units;
- Nevada Health and Bioscience Asset Corporation, which represents 11.91% of total assets and deferred outflows of resources, 8.10% of net position, and 3.68% of revenues of the aggregate discretely presented component units;

- Nevada State University Foundation, which represents 0.79% of total assets and deferred outflows of resources, 0.87% of net position, and 0.66% of revenues of the aggregate discretely presented component units;
- Rebel Golf Foundation, which represents 0.43% of total assets and deferred outflows of resources, 0.47% of net position, and 0.21% of revenues of the aggregate discretely presented component units;
- Truckee Meadows Community College Foundation, which represents 0.45% of total assets and deferred outflows of resources, 0.46% of net position, and 0.81% of revenues of the aggregate discretely presented component units;
- University of Nevada, Las Vegas Rebel Football Foundation, which represent 0.25% of assets and deferred outflows of resources, 0.27% of net position, and 1.26% of revenues of the aggregate discretely presented component units;
- University of Nevada, Las Vegas Rebel Soccer Foundation, which represents 0.12% of total assets and deferred outflows of resources, 0.13% of net position, and 0.08% of revenues of the aggregate discretely presented component units;
- University of Nevada, Las Vegas Foundation, which represents 37.56% of total assets and deferred outflows of resources, 40.97% of net position, and 33.32% of revenues of the aggregate discretely presented component units;
- University of Nevada, Las Vegas Research Foundation, which represents 1.51% of total assets and deferred outflows of resources, 0.83% of net position, and 0.08% of revenues of the aggregate discretely presented component units;
- Western Nevada College Foundation, which represents 0.72% of total assets and deferred outflows of resources, 0.06% of net position, and 0.55% of revenues of the aggregate discretely presented component units;

Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for the above-mentioned entities are based solely on the reports of the other auditors.

Basis for Opinions

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

Adoption of New Accounting Standard

As discussed in Note 2 to the financial statements, the System has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. As a result of implementing the standard, there was no effect on the financial statements of the business type activities beginning net position as of July 1, 2024. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of the net pension liability, schedule of System's contributions for the total net pension liability, schedule of proportionate share of the net OPEB liability, the schedule of System's contributions for the net OPEB liability, and the notes to the required schedules for the net pension liability and net OPEB liability be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the background in the introduction section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2025 on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 System'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 System's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Sully LLP". The signature is written in a cursive, flowing style.

Reno, Nevada
October 30, 2025

MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the Nevada System of Higher Education’s (the System) annual financial information presents management’s discussion and analysis of the financial standing as of June 30, 2025. This section provides a brief overview of noteworthy financial activity, identifies changes in financial position, and assists the reader in focusing on significant financial issues that occurred during the year ended June 30, 2025, with comparative information as of June 30, 2024.

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

SYSTEM AND SYSTEM RELATED ORGANIZATIONS

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

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

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

- University of Nevada, Reno Foundation
- Wolf Pack Athletic Association (formerly Athletic Association, University of Nevada Inc.)
- Desert Research Institute Foundation
- Desert Research Institute Research Parks LTD
- Truckee Meadows Community College Foundation
- Western Nevada College Foundation
- Great Basin College Foundation
- University of Nevada, Las Vegas Foundation
- University of Nevada, Las Vegas Research Foundation
- University of Nevada, Las Vegas Medicine, Inc.
- Rebel Golf Foundation
- University of Nevada, Las Vegas Alumni Association

University of Nevada, Las Vegas Rebel Football Foundation
University of Nevada, Las Vegas Rebel Soccer Foundation
University of Nevada, Las Vegas Singapore Unlimited
College of Southern Nevada Foundation
Nevada State University Foundation
Nevada Health and Bioscience Asset Corporation

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

SYSTEM FINANCIAL HIGHLIGHTS FROM 2024 TO 2025 (in \$1,000's)

- Total net position increased by 6.7% from \$2,031,257 to \$2,168,320;
- Capital assets decreased by -1.4% from \$2,807,992 to \$2,769,305;
- Operating revenues increased by 8.7% from \$1,233,136 to \$1,340,014;
- Nonoperating revenues increased by 11.4% from \$1,135,862 to \$1,265,689; and
- Operating expenses increased by 6.6% from \$2,394,841 to \$2,552,649.

USING THIS REPORT

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

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

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

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

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

CONDENSED FINANCIAL INFORMATION

ASSETS AND LIABILITIES

The Statement of Net Position is a point-in-time financial statement presenting the financial position of the System as of June 30, 2025, with a comparison made to June 30, 2024. This Statement presents end-of-year data for assets (current and noncurrent), deferred outflows of resources, liabilities (current and noncurrent), deferred inflows of resources, and net position (assets plus deferred outflows of resources minus liabilities plus deferred inflows of resources).

System Net Position (in \$1,000’s)

	<u>2025</u>	<u>2024</u>	<u>Increase/ (Decrease)</u>	<u>Percent Change</u>
Assets				
Current assets	\$ 1,101,407	\$ 1,048,290	\$ 53,117	5.1%
Capital assets, net	2,769,305	2,807,992	(38,687)	-1.4%
Other assets	504,568	410,723	93,845	22.8%
Total Assets	<u>4,375,280</u>	<u>4,267,005</u>	<u>108,275</u>	<u>2.5%</u>
Deferred Outflows of Resources	<u>288,175</u>	<u>239,181</u>	<u>48,994</u>	<u>20.5%</u>
Liabilities				
Current liabilities	401,235	460,233	(58,998)	-12.8%
Noncurrent liabilities	1,896,273	1,820,663	75,610	4.2%
Total Liabilities	<u>2,297,508</u>	<u>2,280,896</u>	<u>16,612</u>	<u>0.7%</u>
Deferred Inflows of Resources	<u>197,627</u>	<u>194,033</u>	<u>3,594</u>	<u>1.9%</u>
Net Position				
Net investment in capital assets	2,015,330	2,020,285	(4,955)	-0.2%
Restricted - Nonexpendable	98,781	96,584	2,197	2.3%
Restricted - Expendable	397,101	329,161	67,940	20.6%
Unrestricted	(342,892)	(414,773)	71,881	-17.3%
Total Net Position	<u>\$ 2,168,320</u>	<u>\$ 2,031,257</u>	<u>\$ 137,063</u>	<u>6.7%</u>

Assets

Total assets of the System are currently showing an increase of \$108.3 million, or 2.5%. The increase that occurred in total assets was primarily driven by an increase in current assets of \$53.1 million and other assets of \$93.9 million. The current assets increase of \$53.1 million was primarily driven by an increase in short-term investments \$76.9 million and a decrease in cash and cash equivalents of \$24.8 million. The increase in other assets is related to the increase in restricted cash and investments of \$88.8 million and endowment investments of \$27.9 million and decreases in leases receivable of \$30.6 million and net capital assets of \$38.7 million. Overall the increase in assets is largely a result of the unspent bond proceeds of \$60.9 million from UNLV’s Certificates of Participation.

Liabilities

Total liabilities for the year increased by \$16.6 million primarily driven by increases in compensated absences of \$14.5 million, accrued payroll of \$11 million, long-term debt of \$26 million, and net pension liability of \$39.1 million being offset by a decrease in accounts payable of \$6.7 million, unearned revenue of \$33.7 million, and OPEB liability of \$35.8 million.

Deferred Outflows/Inflows of Resources

Deferred outflows of resources, a future consumption of net assets, increased by \$49 million. This increase relates to the increase in pension-related deferred outflows of resources of \$43.4 million and OPEB-related outflows of \$5.7 million. Similarly, deferred inflows of resources, a future acquisition of net assets, increased by \$3.6 million. This relates to increases to the pension-related deferred inflows of resources of \$17.6 million and OPEB-related inflows of \$12.6 million offset by a decrease in lease-related inflows of \$28 million.

Net Position

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

Net Investment in Capital Assets

The net investment in capital assets represents the System's capital assets net of accumulated depreciation and outstanding principal balances of debt attributed to the acquisition, construction, or improvement of those assets. The \$5 million decrease reflects the System's expenditures for development and renewal of its capital assets, offset by depreciation expense on capital assets and increased debt associated with capital assets.

Restricted, Nonexpendable/Expendable

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

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

Restricted-expendable increased by \$67.9 million primarily driven by increases restricted-expendable-capital projects of \$32.8 million, and restricted-expendable-scholarships, research and instruction of \$38.1 million offset by a decrease in restricted-expendable-debt service \$3.7 million.

Unrestricted Net Position (deficit)

Unrestricted net position (deficit) decreased by \$71.9 million in 2025. Although unrestricted net position is not subject to externally imposed stipulations, substantially all the System's unrestricted net position has been designated for various academic and research programs and initiatives, as well as capital projects. Funds functioning as an endowment consist of unrestricted funds that have been allocated by the System for long-term investment purposes, although amounts are not subject to donor restrictions requiring the System to preserve the principal in perpetuity. Programs supported by the endowment include scholarships, fellowships, professorships, research efforts and other important programs and activities.

System Related Organizations

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

	<u>2025</u>	<u>2024</u>	<u>Increase/ (Decrease)</u>	<u>Percent Change</u>
Assets				
Current assets	\$ 578,610	\$ 569,298	\$ 9,312	1.6%
Capital assets, net	189,944	187,583	2,361	1.3%
Other assets	<u>723,743</u>	<u>628,193</u>	<u>95,550</u>	<u>15.2%</u>
Total Assets	<u>1,492,297</u>	<u>1,385,074</u>	<u>107,223</u>	<u>7.7%</u>
Liabilities				
Current liabilities	96,547	116,390	(19,843)	-17.0%
Noncurrent liabilities	<u>19,153</u>	<u>16,353</u>	<u>2,800</u>	<u>17.1%</u>
Total Liabilities	<u>115,700</u>	<u>132,743</u>	<u>(17,043)</u>	<u>-12.8%</u>
Deferred Inflows of Resources	<u>22,876</u>	<u>20,072</u>	<u>2,804</u>	<u>14.0%</u>
Net Position				
Net investment in capital assets	129,494	130,764	(1,270)	-1.0%
Restricted - Expendable\Nonexpendable	1,134,651	1,014,612	120,039	11.8%
Unrestricted	<u>89,576</u>	<u>86,883</u>	<u>2,693</u>	<u>3.1%</u>
Total Net Position	<u>\$ 1,353,721</u>	<u>\$ 1,232,259</u>	<u>\$ 121,462</u>	<u>9.9%</u>

The campus foundations, athletic foundations, and medical practice plan, Nevada Health and Bioscience Asset Corporation, as System Related Organizations, continue to support the campuses in their long-range plans and provide support for construction of facilities as well as scholarships and other operating costs. Changes in the above schedule primarily reflect the foundations' increase in investments and capital assets and increases in liabilities. Component entities' net position increased \$121.5 million. The increase is attributed to the \$120.0 increase in restricted net position.

REVENUES, EXPENSES AND CHANGES IN NET POSITION

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

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

The total Change in Net Position for fiscal year ended June 30, 2025, was \$137.1 million.

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

	2025	2024	Increase/ (Decrease)	Percent Change
Operating Revenues				
Student tuition and fees	\$ 510,119	\$ 458,320	\$ 51,799	11.3%
Federal grants and contracts	355,359	345,960	9,399	2.7%
Grants and contracts, other	136,221	122,820	13,401	10.9%
Sales and services	327,742	290,735	37,007	12.7%
Other	10,573	15,301	(4,728)	-30.9%
Total Operating Revenues	<u>1,340,014</u>	<u>1,233,136</u>	<u>106,878</u>	<u>8.7%</u>
Operating Expenses				
Employee compensation and benefits	(1,703,001)	(1,573,670)	129,331	8.2%
Utilities	(35,610)	(46,285)	(10,675)	-23.1%
Supplies and services	(511,510)	(496,308)	15,202	3.1%
Scholarships and fellowships	(126,909)	(112,760)	14,149	12.5%
Depreciation	(175,619)	(165,818)	9,801	5.9%
Total Operating Expenses	<u>(2,552,649)</u>	<u>(2,394,841)</u>	<u>157,808</u>	<u>6.6%</u>
Operating Income (Loss)	<u>(1,212,635)</u>	<u>(1,161,705)</u>	<u>50,930</u>	<u>4.4%</u>
Nonoperating Revenues (Expenses)				
State appropriations	903,739	814,633	89,106	10.9%
Gifts	79,621	64,930	14,691	22.6%
Investment income (loss), net	121,679	115,201	6,478	5.6%
Gain (loss) on disposal of capital assets	(14,139)	(1,827)	(12,312)	673.9%
Interest expense	(24,078)	(27,166)	3,088	-11.4%
Interest revenue	1,367	2,103	(736)	-35.0%
Payments to System campuses and divisions	-	(26)	26	-100.0%
Other nonoperating revenues	7,562	19,371	(11,809)	-61.0%
Federal grants and contracts	189,938	148,643	41,295	27.8%
Total Nonoperating Revenues	<u>1,265,689</u>	<u>1,135,862</u>	<u>129,827</u>	<u>11.4%</u>
Total Other Revenues	<u>84,009</u>	<u>72,035</u>	<u>11,974</u>	<u>16.6%</u>
Increase (Decrease) in Net Position	<u>137,063</u>	<u>46,192</u>	<u>90,871</u>	<u>196.7%</u>
Net position - beginning of year	2,031,257	1,985,065	46,192	2.3%
Net position - end of year	<u>\$ 2,168,320</u>	<u>\$ 2,031,257</u>	<u>\$ 137,063</u>	<u>6.7%</u>

Operating Revenues

Operating revenues are the funds generated from the System's primary operations and activities. Operating revenues increased by \$106.9 million, or 8.7%. Student tuition and fees increased by \$51.8 million, or 11.3%. Federal grants and contracts increased by \$9.4 million, or 2.7%. Other grants and contracts increased by \$13.4 million, or 10.9%. Sales and services increased by \$37 million, or 12.7%. All but one teaching institution had an increase in student tuition and fees. At the December 2023 Board meeting, a 5% additional registration fee increase was approved to provide additional funding for the FY25 COLA increases. The universities were mainly responsible for the increases in sales and services.

Operating Expenses

Operating expenses refer to the funds spent or used to operate and maintain programs, services, and infrastructure. Operating expenses increased by \$157.8 million, or 6.6%. The increases in operating expenses were mainly driven by the increase in employee compensation and benefits of \$129.3 million. An 11% cost of living increase was approved by the Board and became effective on July 1, 2024, for classified staff and October 1, 2024, for professional staff. Supplies and services expenses increased by \$15.2 million.

Nonoperating Revenues (Expenses)

Nonoperating revenues refer to funds or income generated by the System that are not derived from its primary operational activities and nonoperating expenses are expenses not directly related to the System's primary operational activities. Nonoperating net revenues increased by \$129.8 million, or 11.4%. This was led by increases in state appropriations of \$89.1 million, and federal grants and contracts of \$41.3 million.

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

The total Change in Net Position for fiscal year ended June 30, 2025 was \$121.5 million. The increase is attributed to increases in contributions of \$42.6 million, investment income of \$21.7, and other operating revenues of \$11.2 million, additions to permanent endowments of \$10.2 million, and a increase in expenditures of \$8.9 million.

	2025	2024	Increase/ (Decrease)	Percent Change
Operating Revenues				
Patient revenue	\$ 56,638	\$ 58,050	\$ (1,412)	-2.4%
Contract revenue	16,724	16,633	91	0.5%
Grants and contracts	2,659	-	2,659	100.0%
Contributions	122,959	80,368	42,591	53.0%
Campus Support	9,994	9,650	344	3.6%
Special events and fundraising	1,834	1,604	230	14.3%
Other operating revenues	28,045	16,818	11,227	66.8%
Total Operating Revenues	238,853	183,123	55,730	30.4%
Operating Expenses				
Employee compensation and benefits	(41,919)	(38,074)	3,845	10.1%
Supplies and services	(14,454)	(9,316)	5,138	55.2%
Program expenses, System Related Organizations	(21,317)	(73,318)	(52,001)	-70.9%
Depreciation	(9,173)	(9,113)	60	0.7%
Payments to System campuses and divisions	(162,841)	(110,465)	52,376	-47.4%
Other operating expenses	(1,932)	(2,416)	(484)	-20.0%
Total Operating Expenses	(251,636)	(242,702)	8,934	3.7%
Operating Income (Loss)	(12,783)	(59,579)	46,796	-78.5%
Nonoperating Revenues (Expenses)				
Investment income (loss), net	106,045	84,344	21,701	25.7%
Other nonoperating revenues (expenses)	(1,102)	830	(1,932)	-232.8%
Total Nonoperating Revenues (Expenses)	104,943	85,174	19,769	23.2%
Income (Loss) before other revenue (expenses)	92,160	25,595	66,565	260.1%
Other Revenues (Expenses)				
Additions to permanent endowments	28,946	18,717	10,229	54.7%
Other Foundation expenses	356	984	(628)	-63.8%
Total Other Revenues (Expenses)	29,302	19,701	9,601	48.7%
Increase (Decrease) in Net Position	121,462	45,296	76,166	168.2%
NET POSITION				
Net position - beginning of year	1,232,259	1,186,963	45,296	3.8%
Net position - end of year	\$ 1,353,721	\$ 1,232,259	\$ 121,462	9.9%

CASH FLOWS (in \$1,000's)

Net cash flows increased when compared to 2024 as discussed further below. Net operating cash flows (amount of cash from operating activities) increased by 33%.

	<u>2025</u>	<u>2024</u>	<u>Increase/ (Decrease)</u>	<u>Percent Change</u>
Operating activities	\$ (1,063,465)	\$ (949,427)	\$ (114,038)	-12%
Noncapital financing activities	1,185,269	1,035,624	149,645	14%
Capital financing activities	(73,577)	(135,762)	62,185	46%
Investing activities	<u>16,836</u>	<u>70,128</u>	<u>(53,292)</u>	<u>-76%</u>
Net increase (decrease) in cash	65,063	20,563	44,500	-216%
Cash – beginning of year	194,869	174,306	20,563	12%
Cash – end of year	<u>\$ 259,932</u>	<u>\$ 194,869</u>	<u>\$ 65,063</u>	<u>33%</u>

Operating Activities

Cash flows used for operating activities decreased by \$114 million. This was primarily related to increases in payments for compensation and benefits of \$151.3 million. This was offset mainly by increases in tuition and fees of \$46.6 million.

Noncapital Financing Activities

Cash flows from noncapital financing increased by \$149.6 million, or 14%. This increase was primarily related to increases in state appropriations of \$111.9 million and federal grants and contracts of \$31.2 million.

Capital Financing Activities

Cash flows used for capital and related financing activities increased by \$62.2 million, or 46%. The increase is mainly due to the increase of bond issuance and refunding of \$59,915.

Investment Activities

Cash flows from investing activities decreased by \$53.3 million, or 76%, as the result of investment activity. The variance in proceeds from sales and maturities of investments from fiscal year 2024 is a decrease of \$52.4 million. This decrease indicates that the system received less from selling or maturing investments when compared to the previous year.

CAPITAL ASSET AND DEBT ADMINISTRATION

As of June 30, 2025, the System had invested \$2,769,305 million in a broad range of capital assets, including buildings, machinery and equipment, library books and media, art and other valuable collections, intangible assets, leased assets, land. This represents a net decrease (including additions and deletions) of \$38.7 million over June 30, 2024.

During fiscal year 2025, \$60,710 of long-term debt was issued for capital projects. As of June 30, 2025, the coverage on the University Revenue Bonds (pledged revenues to maximum annual debt

service) was 9.65 times, above the minimum required coverage of 1.50. For statutory purposes, the coverage was 2.50 times, above the minimum required coverage of 1.10. As of June 30, 2025, the coverage on the Community College Revenue Bonds (pledged revenues to maximum annual debt service) was 21.22 times, above the minimum required coverage of 1.50. For statutory purposes, the coverage was 2.51 times, above the minimum required coverage of 1.10. Coverage for the System's Revenue Bonds is based upon two formulas. The statutory coverage ratio is based upon pledged revenues described in Nevada Revised Statutes authorizing the issuance of revenue bonds. A second, comprehensive coverage ratio, is based upon all revenues pledged to the bonds (including the statutory revenues) in the bond resolutions adopted by the Board of Regents. The statutory and comprehensive coverage ratios feature different minimum coverage thresholds that govern the issuance of additional revenue bond debt.

FUTURE FINANCIAL EFFECTS

In recent years higher education services in Nevada have seen a slight increase in demand. In fiscal year 2025, the System realized a net gain of student full time equivalent (FTE) enrollment of 4.2% or 2,771.41 average annual FTE students' system-wide compared to fiscal year 2024. Student FTE enrollments increased slightly at the institutions. The System anticipates enrollments system-wide in fiscal year 2026 will remain relatively flat.

The Legislatively approved System operating budget includes state appropriations, authorized expenditures (State Supported Operating Budget). The Operating Budget totals \$1,435.8 billion for FY 26. This compares to the FY 25 Operating Budget of \$1,286.8 billion and represents a 11.6% increase. General Fund revenues of \$985.4 million in FY 26 increased when compared to the General Fund revenues of \$898.9 million in FY 25 by \$86.5 million or by 9.6% due mainly to caseload growth and increased fringe rates including health insurance and retirement.

Other authorized revenue sources, consisting mainly of student fee revenues, total \$780.4 million in FY 26, approximately \$62.6 million more than in FY 25. The main reason for the increase in other authorized revenue is due to a projected increase in registration fees. Student fees have increased to approximately 28.3% of the State Supported Operating Budget.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

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

NEVADA SYSTEM OF HIGHER EDUCATION
STATEMENT OF NET POSITION (in \$1,000's)
(CONTINUED)
AS OF JUNE 30, 2025

	<u>System</u>	<u>System Related Organizations</u>
<u>ASSETS</u>		
<i>Current Assets</i>		
Cash and cash equivalents	\$ 157,124	\$ 128,886
Restricted cash and cash equivalents	-	14,285
Short-term investments	671,128	389,375
Accounts receivable, net	64,980	19,560
Federal Grants and Contracts Receivable	119,907	-
State and Local Grants Receivable	39,511	-
Pledges receivable, net	-	15,011
Patient accounts receivable, net	-	5,404
Loans receivable, net	604	18
Due from System Related Organizations	8,736	1,414
Leases receivable	6,252	1,032
Leases receivable Due from System Related Organizations	3,178	-
Inventories	6,829	487
Deposits and prepaid expenditures, current	23,138	643
Other current assets	20	2,495
Total Current Assets	1,101,407	578,610
<i>Noncurrent Assets</i>		
Cash held by State Treasurer	1,174	-
Restricted cash and cash equivalents	101,634	-
Investments	-	250,027
Restricted investments	-	18,601
Endowment investments	348,154	370,283
Deposits and prepaid expenditures	3,533	-
Loans receivable, net of current	4,150	10
Leases receivable, net of current	29,355	10,675
Leases receivable Due from System Related Organizations, net of current	16,568	-
Capital assets, net	2,769,305	189,944
Pledges receivable, net	-	29,346
Other noncurrent assets	-	44,801
Total Noncurrent Assets	3,273,873	913,687
TOTAL ASSETS	4,375,280	1,492,297
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
OPEB related	50,125	-
Loss on bond refunding	2,365	-
Pension related	235,685	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	288,175	-

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

NEVADA SYSTEM OF HIGHER EDUCATION
STATEMENT OF NET POSITION (in \$1,000's)
(CONTINUED)
AS OF JUNE 30, 2025

	<u>System</u>	<u>System Related Organizations</u>
<u>LIABILITIES</u>		
<i>Current Liabilities</i>		
Accounts payable	52,724	3,081
Accrued payroll and related liabilities	127,789	695
Unemployment insurance and workers' compensation	3,402	-
Due to State of Nevada	2,018	-
Due to affiliated organizations	1,414	8,736
Current portion of compensated absences	15,966	1,038
Current portion of long-term debt	30,661	-
Current portion of leases payable	8,975	214
Current portion of subscriptions payable	17,492	436
Current portion of OPEB	37,523	-
Current Portion of Leases payable due to System Related Organizations	-	3,178
Accrued interest payable	11,866	-
Unearned revenue	85,399	85
Funds held in trust for others	3,408	13,890
Grant payable	-	37,720
Other current liabilities	2,598	27,474
Total Current Liabilities	401,235	96,547
<i>Noncurrent Liabilities</i>		
Refundable advances under federal loan programs	2,718	-
Compensated absences, net of current	73,650	168
Long-term debt, net of current	652,522	-
Lease payable due to System Related Organizations, net of current	-	16,568
Leases payable, net of current	37,244	568
Subscriptions payable, net of current	55,499	495
Unearned revenue	-	90
Net pension liability	548,108	-
Net OPEB liability	526,532	-
Other noncurrent liabilities	-	1,264
Total Noncurrent Liabilities	1,896,273	19,153
TOTAL LIABILITIES	2,297,508	115,700
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred inflows on leases	52,982	14,018
OPEB related	62,095	-
Gain on bond refunding	8,882	-
Pension related	73,668	-
Split-interest agreements	-	8,858
TOTAL DEFERRED INFLOWS OF RESOURCES	197,627	22,876
<u>NET POSITION</u>		
Net investment in capital assets	2,015,330	129,494
Restricted - Nonexpendable	98,781	463,481
Restricted - Expendable - Scholarships, research and instruction	290,657	657,699
Restricted - Expendable - Loans	8,663	-
Restricted - Expendable - Capital projects	68,948	243
Restricted - Expendable - Debt service	28,833	-
Restricted - Expendable - Other	-	13,228
Unrestricted (deficit)	(342,892)	89,576
TOTAL NET POSITION	\$ 2,168,320	\$ 1,353,721

NEVADA SYSTEM OF HIGHER EDUCATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2025

	<u>System</u>	<u>System Related Organizations</u>
Operating Revenues		
Student tuition and fees (net of scholarship allowance of \$261,509)	\$ 510,119	\$ -
Federal grants and contracts	355,359	1,368
State grants and contracts	87,213	-
Local grants and contracts	1,861	1,291
Other grants and contracts	47,147	-
Campus support	-	9,994
Sales and services of educational departments (including \$43,426 from System Related Organizations)	225,524	-
Sales and services of auxiliary enterprises (net of scholarship allowance of \$18,541)	102,218	-
Contributions	-	122,959
Patient revenue	-	56,638
Contract revenue	-	16,724
Special events and fundraising	-	1,834
Interest earned on loans receivable	81	-
Other operating revenues	10,492	28,045
Total Operating Revenues	<u>1,340,014</u>	<u>238,853</u>
Operating Expenses		
Employee compensation and benefits	(1,703,001)	(41,919)
Utilities	(35,610)	-
Supplies and services	(511,510)	(14,454)
Scholarships and fellowships	(126,909)	-
Program expenses, System Related Organizations	-	(21,317)
Depreciation and amortization	(175,619)	(9,173)
Payments to System campuses and divisions	-	(162,841)
Other operating expenses	-	(1,932)
Total Operating Expenses	<u>(2,552,649)</u>	<u>(251,636)</u>
Operating Income (Loss)	<u>(1,212,635)</u>	<u>(12,783)</u>
Nonoperating Revenues (Expenses)		
State appropriations	903,739	-
Gifts (including \$79,608 from System Related Organizations)	79,621	-
Investment income, net	121,679	106,045
Loss on disposal of capital assets	(14,139)	-
Interest expense	(24,078)	(580)
Interest revenue	1,367	-
Other nonoperating revenues (expenses)	7,562	(522)
Federal grants and contracts	189,938	-
Total Nonoperating Revenues (Expense)	<u>1,265,689</u>	<u>104,943</u>
Income (Loss) Before Other Revenue (Expenses)	<u>53,054</u>	<u>92,160</u>
Other Revenues (Expenses)		
State appropriations restricted for capital purposes	39,144	-
Capital grants and gifts (including \$39,217 from System Related Organizations)	43,011	-
Additions to permanent endowments (including \$590 to System Related Organizations)	1,854	28,946
Other System Related Organization revenue	-	356
Total Other Revenues (Expenses)	<u>84,009</u>	<u>29,302</u>
Increase in Net Position	<u>137,063</u>	<u>121,462</u>
NET POSITION		
Net position - beginning of year	<u>2,031,257</u>	<u>1,232,259</u>
Net position - end of year	<u>\$ 2,168,320</u>	<u>\$ 1,353,721</u>

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

NEVADA SYSTEM OF HIGHER EDUCATION
STATEMENT OF CASH FLOWS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2025

	<u>System</u>
<i>Cash flows from (for) operating activities</i>	
Tuition and fees	\$ 506,582
Grants and contracts	475,112
Payments to suppliers	(526,622)
Payments for utilities	(35,760)
Payments for compensation and benefits	(1,693,053)
Payments for scholarships and fellowships	(126,973)
Loans issued to students and employees	(614)
Collection of loans to students and employees	688
Sales and services of educational departments	222,687
Sales and services of auxiliary enterprises	101,361
Receipts under third party events	29,637
Disbursements under third party event	(29,129)
Receipts under federal student loan programs	117,833
Disbursements under federal student loan programs	(117,336)
Receipts under external awards and others	20,405
Disbursements under external awards and others	(19,230)
Other receipts	10,947
<i>Cash flows from (for) operating activities</i>	<u>(1,063,465)</u>
<i>Cash flows from noncapital financing activities</i>	
State appropriations	909,026
Gifts and grants for other than capital purposes	78,705
Gifts for endowment purposes	1,855
Other	7,185
Receipts under federal student loan programs	137
Insurance recoveries	3
Federal grants and contracts	188,358
<i>Cash flows from noncapital financing activities</i>	<u>1,185,269</u>
<i>Cash flows from (for) capital and related financing activities</i>	
Payments for debt issuance costs	(1,232)
Capital appropriations	30,400
Capital grants and gifts received	41,679
Bond issuance and refunding	60,052
Purchases of capital assets	(123,818)
Proceeds from sale of property and equipment	7,364
Principal paid on capital debt	(60,171)
Interest paid on capital debt	(27,851)
<i>Cash flows from (for) capital and related financing activities</i>	<u>(73,577)</u>
<i>Cash flows from investing activities</i>	
Proceeds from sales and maturities of investments	50,696
Purchase of investments	(54,855)
Interest and dividends received on investments	21,699
Net decrease in cash equivalents, noncurrent investments	(704)
<i>Cash flows from investing activities</i>	<u>16,836</u>
<i>Net increase in cash</i>	<u>65,063</u>
<i>Cash and cash equivalents, beginning of year</i>	<u>194,869</u>
<i>Cash and cash equivalents, end of year</i>	<u>\$ 259,932</u>

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

NEVADA SYSTEM OF HIGHER EDUCATION
STATEMENT OF CASH FLOWS (in \$1,000's)
(CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025

	<u>System</u>
Reconciliation of operating loss to cash flows from operating activities	
Operating loss	\$ (1,212,635)
Adjustments to reconcile operating loss to cash used in operating activities:	
Supplies expense related to noncash gifts	527
Depreciation and amortization expense	175,619
Change in pension related deferred outflows of resources	(43,438)
Change in pension related deferred inflows of resources	17,623
Change in OPEB related deferred outflows of resources	(5,738)
Change in OPEB related deferred inflows of resources	12,641
Change in lease related deferred inflows of resources	619
Changes in assets and liabilities:	
Accounts receivable, net	(4,280)
Receivable from U.S. Government	2,442
Receivable from State of Nevada	(3,142)
Loans receivable, net	739
Inventories	37
Due from other institutions	(613)
Due from System Related Organizations	2,457
Deposits and prepaid expenditures	(7,092)
Other assets	262
Accounts payable	(9,100)
Accrued payroll and related liabilities	11,547
Unemployment and workers' compensation insurance liability	848
Unearned revenue	(21,318)
Refundable advances under federal loan program	(97)
Compensated absences	14,487
Other liabilities	263
Net pension liability	36,667
Net OPEB liability	(33,726)
Deposits held for others	817
Other	119
Cash flows from operating activities	<u>\$ (1,063,465)</u>
Supplemental noncash activities information:	
Loss on disposal of capital assets	<u>\$ (14,139)</u>
Capital assets acquired by gifts	<u>\$ 758</u>
Capital expenditures included in accounts payable	<u>\$ 3,746</u>
Capital assets acquired by incurring lease obligations	<u>\$ 8,769</u>
University Revenue Refunding Bond Series 2025	<u>\$ 39,910</u>
Unrealized gains on investments	<u>\$ 87,976</u>
Right-of-use assets obtained in exchange for subscription obligations	<u>\$ 24,519</u>
Capital asset funded through State Public Works	<u>\$ 3,146</u>

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

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – Organization:

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

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

The System is an entity of the State of Nevada (the State) and receives significant support from, and has significant assets held by the State as set forth in the accompanying financial statements. The System is a component unit of the State of Nevada in accordance with the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and No. 34*. The System Related Organizations' columns in these financial statements are comprised of data from the System's discretely presented campus and athletic foundations and medical school practice plans, which include: University of Nevada, Reno Foundation, Wolf Pack Athletic Association, Desert Research Institute Foundation, Desert Research Institute Research Parks LTD, Truckee Meadows Community College Foundation, Western Nevada College Foundation, Great Basin College Foundation, University of Nevada, Las Vegas Foundation, University of Nevada, Las Vegas Research Foundation, Rebel Golf Foundation, University of Nevada, Las Vegas Alumni Foundation, University of Nevada, Las Vegas Rebel Football Foundation, University of Nevada, Las Vegas Rebel Soccer Foundation, University of Nevada, Las Vegas Singapore Unlimited, University of Nevada Las Vegas Medicine Incorporated, College of Southern Nevada Foundation, Nevada State College Foundation, and Nevada Health and Bioscience Asset Corporation. These System Related Organizations are included as part of the System's financial statements because of the nature and the significance of their financial relationship with the System. The System Related Organizations have a fiscal year end of June 30 apart from Nevada Health and Bioscience Asset Corporation which has a calendar year end of December 31.

The System Related Organizations include campus foundations which are related tax-exempt organizations founded to foster and promote the growth, progress, and general welfare of the System, and are reported in separate columns to emphasize that they are Nevada not-for-profit organizations legally separate from the System. During the year ended June 30, 2025, the foundations distributed \$124,835 to the System for both restricted and unrestricted purposes. Complete financial statements for the foundations can be obtained from Rhett Vertrees, Assistant Chief Financial Officer at NSHE, 2601 Enterprise Rd., Reno, NV 89512.

During the year ended June 30, 2025, UNLV Med distributed \$38,006 to the System for restricted purposes for salaries and Dean's support. Complete financial statements for UNLV Med can be obtained from Rhett Vertrees, Assistant Chief Financial Officer at NSHE, 2601 Enterprise Rd., Reno, NV 89512.

Complete financial statements for Nevada Health and Bioscience Asset Corporation can be obtained from Rhett Vertrees, Assistant Chief Financial Officer at NSHE, 2601 Enterprise Rd., Reno, NV 89512.

NOTE 2 – Summary of Significant Accounting Policies:

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

BASIS OF PRESENTATION

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

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

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2025**

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

BASIS OF ACCOUNTING

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

CASH AND CASH EQUIVALENTS

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

Cash and cash equivalents	\$ 157,124
Cash held by State Treasurer	1,174
Restricted cash and cash equivalents	<u>101,634</u>
Total per statement of cash flows	<u>\$ 259,932</u>

INVESTMENTS

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

INVENTORIES

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

PLEDGES

In accordance with GASB Statement No. 33, *Accounting and Reporting for Non-Exchange Transactions*, private donations are recognized when all eligibility requirements are met, provided that the pledge is verifiable, the resources are measurable, and collection is probable. Pledges receivables are recorded at net present value using the appropriate discount rate. An allowance for uncollectible pledges is estimated based on collection history and is netted against the gross pledges' receivable. The allowance for uncollectible pledges are \$6,057 as of June 30, 2025.

CAPITAL ASSETS

Capital assets are defined as: 1) assets with an initial unit cost of \$10 in the fiscal year and an estimated useful life in excess of one year; or 2) a bulk purchase, which is defined as assets whose individual acquisition cost is less than \$10 but purchased in bulk and the aggregated total cost of the identical units purchased on a single requisition and for a single project has a total value greater than \$25,000 and above per Institution, are capitalized. Such assets are stated at cost at the date of acquisition or acquisition value at date of donation in the case of gifts. Computers, classroom furniture, and communication equipment are some of the assets that may not meet the capitalization policy on an individual cost basis but might meet the threshold in the aggregate. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets acquired through federal grants and contracts where the federal government retains a reversionary interest are capitalized and depreciated. Depreciation is computed on a straight-line basis over the following estimated useful lives:

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2025**

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

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

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

RECEIVABLES

The System accounts for estimated losses inherent in its accounts receivable based on types of receivables and expectations of repayment. In establishing the required allowance, management considers one or more of the following: types of receivable, historical losses adjusted to take into account current market conditions, the amount of receivable in dispute, the current receivable aging, and current payment patterns. The System reviews its allowance for doubtful accounts annually. Not included in the receivable balances are amounts considered to be uncollectible. Uncollectible accounts receivable are estimated at \$96.9 million.

LEASE RECEIVABLE

Lease receivables and deferred inflows of resources are recorded by the System as the present value of lease payments expected to be received under all leases other than short term. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. Short term leases, those with a maximum period of 12 months, are recognized as collected. The deferred inflow of resource is amortized straight-line and recognized as revenue over the term of the lease, regardless of when payments are received from the lessee.

RIGHT- OF-USE ASSETS

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

LEASE LIABILITY

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

SUBSCRIPTION LIABILITY

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

UNEARNED REVENUE

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

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2025**

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

COMPENSATED ABSENCES

Employees of NSHE earn annual and sick leave in accordance with Board of Regents' policy and institutional policy in accordance with GASB Statement No. 101, *Compensated Absences*, NSHE recognizes a liability for leave when earned and attributable to services already rendered, if (1) leave vests or accumulates and (2) it is probable that the leave will be used for time off or otherwise paid or settled. The liability includes salary-related payments, including the employer's share of payroll-related taxes and retirement contributions to defined contribution plans, to the extent they are applicable.

FEDERAL REFUNDABLE LOANS

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

PENSIONS

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

OTHER POST-EMPLOYMENT BENEFITS (OPEB)

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

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources until then. The System has pension related, other post-employment benefits related and loss on bond refunding balances of \$235,685, \$50,125 and \$2,365 respectively, at June 30, 2025. Pension related deferred outflows of resources are discussed in depth in Note 18 and other post-employment benefits related deferred outflows of resources are discussed in depth in Note 19. A loss on bond refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the Statement of Net Position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources until that time. The System has pension related, other post-employment benefits related, gain on bond refunding and unrecognized revenues from other than short term lease balances of \$73,668, \$62,095, \$8,882 and \$52,982, respectively, at June 30, 2025, while the System Related Organizations have split-interest agreements and deferred lease inflows of \$8,858 and \$14,018, respectively, at June 30, 2025. Pension related deferred inflows of resources are discussed in depth in Note 18. Other post-employment benefits and related deferred inflows of resources are discussed in Note 19. A gain on bond refunding results from the difference in the reacquisition price and the carrying value of refunded debt. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred lease inflows represent lease revenue that will be recognized in future periods. Leases are discussed in depth in Note 11 and 12.

NET POSITION

Net position is classified as follows:

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

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2025**

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

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

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

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

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

FAIR VALUE

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

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

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

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

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

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

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

OPERATING AND NONOPERATING REVENUES AND EXPENSES

SYSTEM

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

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

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2025**

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

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

UNLV MEDICINE, INC.

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

NEVADA HEALTH AND BIOSCIENCE ASSET CORPORATION

Unconditional promises to give are recorded as contributions receivable and contribution revenue when received. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows.

FOUNDATIONS

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

SCHOLARSHIP ALLOWANCES

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

GRANTS-IN-AID

Student tuition and fees revenue include grants-in-aid charged to scholarships and fellowships expense in the Statement of Revenue, Expense and Changes in Net Position and grants-in-aid for faculty and staff benefits charged to the appropriate expenditure programs to which the applicable personnel relate. Grants-in-aid for the year ended June 30, 2025, were \$18,545.

TAX EXEMPTION

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

USE OF ESTIMATES

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

NEW ACCOUNTING PRONOUNCEMENTS

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements (GASB 103)*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements for MD&A will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A.

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2025**

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

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. The System has not adopted this statement and is in the process of determining the impact to its financial statements.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets (GASB 104)*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. The System has not adopted this statement and is in the process of determining the impact to its financial statements.

NEWLY IMPLEMENTED ACCOUNTING PRONOUNCEMENTS

As of July 1, 2024, the System adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. There was not a significant effect on the System’s financial statements as a result of the implementation of this standard.

As of July 1, 2024, the System adopted GASB Statement No. 102, *Certain Risk Disclosures*, which requires management to evaluate whether there are risks related to a government’s vulnerabilities due to certain concentrations or constraints that require disclosure.

Management has considered whether any concentrations and constraints meet the criteria under GASB 102 for disclosure of vulnerabilities that could result in a substantial impact within 12 months of issuance of these financial statements. While risks exist, NSHE has not identified any events or conditions as of the date of issuance that are likely to cause a substantial impact within the next 12 months.

NOTE 3 – System Cash and Cash Equivalents:

Cash and cash equivalents of the System are stated at cost, which approximates market, and consists of deposits in money market funds, and cash in the bank. At June 30, 2025, the System’s deposits in money market funds totaled \$202,265 and cash in bank was \$1,221. Of these balances, \$1,000 and \$250 each year per account are covered by the Federal Depository Insurance Corporation (FDIC). Restricted cash represents the unexpended bond proceeds held for construction of major assets, amounts restricted for deferred maintenance, and amounts restricted for debt service. For those deposits over and above the federal depository insurance maximum balance, sufficient collateral must be held by the financial institution to protect the System against loss. The pooled collateral for deposits program maintains a 102% pledged collateral for all public deposits.

NOTE 4 – Disclosures About Fair Value of Financial Instruments:

Investments at Fair Value

The System’s investment holdings as of June 30, 2025, categorized in accordance with the fair value hierarchy are summarized in the following table:

Investment Type	Level 1	Level 2	Level 3	NAV	Total
Cash and Cash Equivalents - Operating	\$ 157,124	\$ -	\$ -	\$ -	\$ 157,124
Cash and Cash Equivalents - Endowment	8,687	-	-	-	8,687
Cash Held by State Treasurer	1,174	-	-	-	1,174
Restricted cash and cash equivalents	101,634	-	-	-	101,634
Mutual Funds (Publicly Traded)	502,416	-	-	-	502,416
Private Commingled Funds and Equity Partnerships	62,641	3,003	-	448,849	514,493
Trusts	4,718	-	-	-	4,718
Subtotal	838,394	3,003	-	448,849	1,290,246
Less: GBC Foundation Endowments	(11,032)	-	-	-	(11,032)
Total	\$ 827,362	\$ 3,003	\$ -	\$ 448,849	\$ 1,279,214

NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 4 – Disclosures About Fair Value of Financial Instruments (continued):

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 private commingled funds and private equity partnerships. Investment strategies within these classifications can be broken down into eight major investment categories:

- *Private Investments* – 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 \$47,806 to private equity/venture capital funds are outstanding as of June 30, 2025.
- *Marketable Alternatives* – Assets in the marketable alternative category have a broad mandate and/or incorporate hedging strategies and have significant redemptions restrictions.
- *Real Assets* – The System's holding in the real assets valued at NAV consists of funds which primarily invests in securities of publicly traded C-corporations, Master Limited Partnerships and certain private placement transactions.
- *Fixed Income* – The System's fixed income holdings valued at NAV consist of private and commingled funds with core fixed and short duration strategies.
- *Domestic Equity* – The System's holdings valued at NAV within the domestic equity category consists of one commingled fund with a broad mandate which seeks to outperform the S&P 500 index.
- *Multi-Strategy* – Assets in the multi-strategy valued at NAV consist of one fund which seeks to provide long-term capital growth by investing in domestic and foreign stocks, real assets, and bonds.
- *International Equity* – The System's holdings at NAV within the International equity category consist of private commingled funds primarily focused on value.
- *Emerging Market Equity* – The System's holdings at NAV within Emerging Market category consist of private commingled funds which look to achieve long-term capital appreciation while investing in equity securities or equity-linked instruments of companies located in emerging market countries.

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

	Redemption Frequency	Days' Notice (If applicable)	Remaining Life for Partnership	NAV
Marketable Alternatives	Daily, Monthly, Quarterly, Semi-Annually, Annually	90	N/A	\$ 51,878
Private equity/venture capital	Illiquid	N/A	7 to 12 years	83,676
Domestic Equity	Daily, Monthly, Quarterly	0-3	N/A	76,778
Fixed income	Daily, Monthly	Same Day	N/A	3,857
Emerging Market Equity	Daily, Weekly, Monthly	N/A	N/A	16,495
International Equity	Daily, Monthly	N/A	N/A	63,811
Real Assets	Daily, Monthly, Quarterly	0-110 days	N/A	10,486
Multi-Strategy	Daily	N/A	N/A	141,868
				<u>\$ 448,849</u>

NOTE 5 – System Investments:

The Board of Regents policies include the Statement of Investment Objectives and Policies for the Endowment and Operating Funds of the System. This policy governs the investment management of both funds. The Board of Regents is responsible for establishing investment policies; accordingly, the Board of Regents has promulgated these guidelines in which they have established permitted asset classes and ranges. The asset allocation categories may change from year to year. Investments are stated at fair value. The historical cost and market value (fair value) of System investments at June 30, 2025, is as follows:

	Cost	Market Value
Cash and Cash Equivalents - Operating	\$ 157,124	\$ 157,124
Cash and Cash Equivalents - Endowment	8,687	8,687
Cash Held by State Treasurer	1,174	1,174
Restricted cash and cash equivalents	101,634	101,634
Mutual Funds (Publicly Traded)	364,271	502,416
Private Commingled Funds and Equity Partnerships	362,269	514,493
Trusts	3,683	4,718
	998,842	1,290,246
Less: GBC Foundation Endowments	(11,032)	(11,032)
	<u>\$ 987,810</u>	<u>\$ 1,279,214</u>

NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 5 – System Investments (continued):

As of June 30, 2025, the System had entered into various investment agreements with private commingled funds and private equity partnerships. Under the terms of certain of these investment agreements, the System is obligated to make additional investments as requested by these partnerships. Generally, partnership investments do not have a ready market and ownership interests in some of these investment vehicles may not be traded without the approval of the general partner or fund management. These investments are subject to the risks generally associated with equities with additional risks due to leverage and the lack of a ready market for acquisition or disposition of ownership interests.

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

Credit risk and interest rate risk

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

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

The credit risk profile for the System's operating and endowment investments at June 30, 2025, is as follows:

	Fair Value	AAAm	Not Rated
Cash and Cash Equivalents - Operating	\$ 157,124	\$ 157,124	\$ -
Cash and Cash Equivalents - Endowment	8,687	6,215	2,472
Cash Held by State Treasurer	1,174	-	1,174
Restricted cash and cash equivalents	101,634	38,926	62,708
Mutual Funds (Publicly Traded)	502,416	-	502,416
Private Commingled Funds and Equity Partnerships	514,493	-	514,493
Trusts	4,718	-	4,718
Subtotal	1,290,246	202,265	1,087,980
Less: GBC Foundation Endowments	(11,032)	-	(11,032)
	<u>\$ 1,279,214</u>	<u>\$ 202,265</u>	<u>\$ 1,076,948</u>

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

Investments included in the above table have been identified as having interest rate risk and are principally invested in private commingled funds. The segmented time distribution for these investments at June 30, 2025, is as follows:

	Investment Maturities (in years)			Fair Value
	1-5	5-10	More than 10	
Private Commingled Funds and Equity Partnerships	-	65,500	-	65,500
	<u>\$ -</u>	<u>\$ 65,500</u>	<u>\$ -</u>	<u>\$ 65,500</u>

Custodial credit risk

Custodial credit risk is the risk that in the event of a failure of the custodian, the System may not be able to recover the value of the investments held by the custodian as these investments are uninsured. This risk typically occurs in repurchase agreements where one transfers cash to a broker-

**NEVADA SYSTEM OF HIGHER EDUCATION
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FOR THE YEAR ENDED JUNE 30, 2025**

Note 5 – System Investments (continued):

dealer in exchange for securities, but the securities are held by a separate trustee in the name of the broker-dealer. The System does not have a specific policy with regard to custodial credit risk.

Concentration of credit risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the System’s investments within any one issuer. For the fixed income portion of the endowment pool, the System’s policy for reducing its exposure to concentration of credit risk is to limit the investments within any one issuer to a maximum of 5% of the fixed income portfolio, provided that issues of the U.S. Government or agencies of the U.S. Government may be held without limitation and provided further that issues of agencies of the U.S. Government shall be limited to the extent set forth in the manager-specific guidelines. The System does not have a specific policy with regard to the operating pool or the remainder of the endowment pool. At June 30, 2025, there were no investments within any one issuer in an amount that would constitute a concentration of credit risk to the System.

Foreign currency risk

Foreign currency risk is the risk of investments losing value due to fluctuations in foreign exchange rates. The System does not directly invest in foreign currency investments and is, therefore, not subject to foreign currency risk. However, the System has \$260,543 in mutual funds and commingled funds in both the operating and endowment pools that are primarily invested in international equities at June 30, 2025.

NOTE 6 – System Endowment Pool:

At June 30, 2025, \$343,435 endowment fund investments were pooled on a unit market value basis. As of June 30, 2025, the endowment pool was comprised of investments in cash and cash equivalents (2.5%), mutual funds (7.4%), private commingled funds and equity partnerships (90.2%). Each individual endowment fund acquires or disposes of units based on the market value per unit on the preceding quarterly valuation date. The unit market value at June 30, 2025, was \$1,423 (not in thousands). The System follows the requirements of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) with respect to prudent investing and spending of donor-restricted endowments.

The System utilizes a spending rule for its pooled endowments, which determines the endowment income to be distributed currently for spending. For the year ended June 30, 2025, the endowment spending policy, as approved by the Board of Regents, authorized a distribution maximum of 4.5% of the average unit market value for the previous twenty (20) calendar quarters. Under the provisions of these spending rules, during 2025, \$46.27 (not in thousands) was distributed to each time-weighted eligible unit for a total spending rule distribution of \$13,897. The 2025 distributions were made from investment income of \$0 and from cumulative gains of pooled investments of \$13,897.

The System’s policy is to retain the endowments’ realized and unrealized appreciation with the endowment after the annual income distribution has been made. Such realized and unrealized appreciation retained in endowment investments was \$160,370 at June 30, 2025, is reflected within the restricted expendable for scholarships, research and instruction net position category and is available to meet future spending needs subject to the approval of the Board of Regents.

Effective July 1, 2009, the Board of Regents suspended distribution on all underwater accounts. At June 30, 2025, there were no accounts underwater.

NOTE 7 – System Accounts Receivable:

System accounts receivable consist primarily of amounts due from students for tuition and fees and from local, state, and federal sources for grants and contracts. Receivables are recorded when the related expenditures are incurred or services are provided and are expected to be collected within one year. Management evaluates the collectability of receivables annually and records an allowance for doubtful accounts based on historical experience, current economic conditions, and specific account analysis.

Accounts receivable:	
Student tuition and fees	\$ 119,475
Federal Grants and Contracts Receivable	119,907
State and Local Grants Receivable	39,511
Sales and services	34,134
Local and private grants and contracts	8,173
Other	<u>121</u>
Subtotal	<u>321,321</u>
Less: Allowance for doubtful accounts	<u>(96,923)</u>
Net accounts receivable	<u>\$ 224,398</u>

NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 7 – System Accounts Receivable (continued):

Federal Grants and Contracts Receivable, which consist of amounts due from federal agencies for reimbursable expenditures made in accordance with grant and contract terms. State and Local Grants Receivable, which consist of amounts due from the State of Nevada and other local governmental entities for reimbursable costs incurred under state and local grants and contracts. As of June 30, 2025, the total amount due from the State of Nevada was \$58,501. Management believes these receivables are fully collectible and no allowance has been recorded.

NOTE 8 – System Loans Receivable:

Loans receivable from students bear interest primarily between 3% and 15% per annum and are generally repayable in installments to the various campuses over a five to ten-year period commencing nine months from the date of separation from the institution. Student loans made through the Federal Perkins Loan Program comprise substantially all of the loans receivable at June 30, 2025. A provision for possible uncollectible amounts is recorded on the basis of the various institution's estimated future losses for such items. The loans receivable and corresponding allowance for uncollectible loan balances as of June 30, 2025, are as follows:

Loans Receivable	\$ 5,425
Less: Allowance for doubtful loans	<u>(671)</u>
Net loans receivable	<u>4,754</u>
Less: Current portion	<u>(604)</u>
Total noncurrent loans receivable	<u>\$ 4,150</u>

NOTE 9 – System Capital Assets:

System capital asset activity for the year ended June 30, 2025, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Construction in progress	\$ 75,314	\$ 61,723	(51,927)	\$ 85,110
Land	194,272	1,150	(2,929)	192,493
Land improvements	288	-	-	288
Intangibles	1,350	-	-	1,350
Collections	13,632	150	(58)	13,724
Total	<u>284,856</u>	<u>63,023</u>	<u>(54,914)</u>	<u>292,965</u>
Capital assets being depreciated:				
Buildings	3,746,596	53,239	(33,904)	3,765,931
Land improvements	194,710	2,834	(2,864)	194,680
Machinery and equipment	496,967	52,475	(17,642)	531,800
Intangibles	56,267	1,771	-	58,038
Library books and media	128,472	1,327	(603)	129,196
Total	<u>4,623,012</u>	<u>111,646</u>	<u>(55,013)</u>	<u>4,679,645</u>
Less accumulated depreciation for:				
Buildings	(1,523,183)	(96,219)	19,575	(1,599,827)
Land improvements	(144,733)	(5,720)	2,766	(147,687)
Machinery and equipment	(375,134)	(38,595)	16,492	(397,237)
Intangibles	(52,273)	(1,718)	-	(53,991)
Library books and media	(125,262)	(1,488)	603	(126,147)
Total	<u>(2,220,585)</u>	<u>(143,740)</u>	<u>39,436</u>	<u>(2,324,889)</u>
Right-of-Use assets being amortized:				
ROU buildings/offices	61,595	7,404	(1,999)	67,000
ROU equipment	6,756	1,365	(1,625)	6,496
SBITA	100,107	24,519	(10,557)	114,069
Total	<u>168,458</u>	<u>33,288</u>	<u>(14,181)</u>	<u>187,565</u>
Less accumulated amortization for:				
ROU buildings/offices	(19,671)	(8,711)	2,000	(26,382)
ROU equipment	(3,781)	(1,144)	1,625	(3,300)
SBITA	(24,297)	(22,024)	10,022	(36,299)
Total	<u>(47,749)</u>	<u>(31,879)</u>	<u>13,647</u>	<u>(65,981)</u>
Total assets being depreciated/amortized, net	<u>2,523,136</u>	<u>(30,685)</u>	<u>(16,111)</u>	<u>2,476,340</u>
Capital assets, net	<u>\$ 2,807,992</u>	<u>\$ 32,338</u>	<u>(71,025)</u>	<u>2,769,305</u>

In 2025, the total amount recognized as a loss on disposal of assets of \$14,139.

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 10 – System Long-Term Debt:

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

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

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

In June 2023, the Board of Regents entered into various agreements related to the development of a new College of Business building and related site improvements at UNR. Under the agreements, UNR is leasing the site (Ground Lease) to the developer and is subleasing the right to occupy the improvements back (Sublease). In connection with the development and construction, there were bonds issued by an independent third party and the lease payments under the Sublease secure the bonds. The Ground Lease is for 1 dollar per year for a period of 35 years or expiration of the 30-year bonds, whichever occurs first. The Sublease requires monthly payments beginning August 1, 2023, for a period of 30 years. Monthly payments under the Sublease vary and are approximately \$9,600 per year. Construction was completed in July of 2025 and the building, improvements and related debt will be recorded as a financed obligation in the fiscal year ending June 30, 2026.

During the 2024-25 fiscal year, the Board of Regents (“Board”) approved the issuance of long-term bonds and obligations to finance capital projects and to refinance existing bonds for savings.

At its March 6-7, 2025 meeting, the Board approved the issuance of refunding bonds on behalf of UNR and UNLV. At the March 2025 meeting, present value savings from refinancing were estimated at \$1.8 million (4.2%).

The refunding bonds were sold via competitive sale on March 20, 2025. In total, 11 bids were received, and the winning bid was submitted by Jefferies with an effective interest rate of 3.29%. Savings are a result of the difference between this rate and the effective rate on the refunded 2015A universities revenue bonds of 4.05%. Total savings were \$2.7 million (\$2.0 million present value or 4.5%). This result exceeds the savings presented to the Board in March. Savings are allocated to UNR and UNLV based on their proportionate share of the prior debt service. UNLV’s savings were \$1.5 million (\$1.1 million present value, or 4.3%), and UNR’s savings were \$1.2 million (\$0.9 million present value, or 4.8%).

At the March 6-7, 2025 meeting, the Board also approved the issuance of up to \$61.2 million of certificates of participation to fund the construction of a new parking garage on the campus of UNLV. The new garage will result in an estimated net increase of 1,250 parking spaces near the UNLV Transit Center. The certificates of participation were structured with substantially all payments through July 2055, and estimated debt service at the March meeting was \$3.87 million per year.

The Certificates were sold via competitive sale on March 20, 2025. Seven bids were received for the Certificates, with the winning bid submitted by Truist Securities. The winning bid had a true interest cost of 4.439%, and all bids were between 4.439% and 4.600%. The final par of the Certificates was \$60.7, which is within the limit approved by the Board. Annual payments for the garage are \$3.86 million per year, which is slightly below the estimates provided at the March meeting.

System long-term debt activity for the year ended June 30, 2025, is as follows:

	Annual Interest Rate	FY Final Payment Date	Original Amount	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
UNIVERSITY REVENUE BONDS								
Universities Revenue Bonds, Series	4.00% to 5.00%	2044	49,995	1,860	-	(1,860)	-	-
University Revenue Bonds, Series 2	3.00% to 5.00%	2036	61,455	51,335	-	(51,335)	-	-
Universities Revenue Bonds, Series	2.00% to 3.00%	2027	7,480	2,420	-	(785)	1,635	805
Universities Revenue Bonds, Series	2.00% to 5.00%	2039	57,750	48,185	-	(2,345)	45,840	2,470
Universities Revenue Bonds, Series	2.50% to 5.00%	2037	13,580	10,310	-	(640)	9,670	665
Universities Revenue Bonds, Series	3.25% to 5.00%	2041	25,905	23,300	-	(955)	22,345	1,005
Universities Revenue Bonds, Series	3.00% to 5.00%	2050	18,640	17,600	-	(380)	17,220	400
Universities Revenue Bonds, Series	2.38% to 5.00%	2052	35,705	33,235	-	(1,395)	31,840	690
Universities Revenue Bonds, Series	3.00% to 5.00%	2033	21,905	20,275	-	(1,860)	18,415	2,760
Universities Revenue Bonds, Series	4.00% to 5.00%	2035	77,285	77,285	-	(7,915)	69,370	8,315
Universities Revenue Bonds, Series	4.00% to 5.00%	2044	32,275	32,275	-	-	32,275	800
Universities Revenue Bonds, Series	5.00%	2036	39,910	-	39,910	-	39,910	-
UNIVERSITY REVENUE BONDS SUBTOTAL				318,080	39,910	(69,470)	288,520	17,910

NEVADA SYSTEM OF HIGHER EDUCATION
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NOTE 10 – System Long-Term Debt (continued):

COMMUNITY COLLEGE REVENUE BONDS

College Revenue Bonds, Series 2011	3.00% to 5.00%	2048	70,915	61,876	-	(1,581)	60,295	1,660
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CERTIFICATES OF PARTICIPATION

Certificates of Participation, Series 2011	2.00% to 5.00%	2045	29,600	6,325	-	-	6,325	-
Certificates of Participation, Series 2012	2.00% to 5.00%	2047	63,095	48,330	-	(1,895)	46,435	1,985
Certificates of Participation, Series 2013	1.65% to 4.72%	2047	50,405	43,035	-	(1,165)	41,870	1,200
Certificates of Participation, Series 2014	3.00% to 5.00%	2048	28,890	25,240	-	(635)	24,605	670
Certificates of Participation, Series 2015	3.00% to 5.00%	2049	12,475	11,375	-	(280)	11,095	295
Certificates of Participation, Series 2016	3.00% to 5.00%	2051	52,620	51,220	-	(515)	50,705	540
Certificates of Participation, Series 2017	5%	2040	15,395	15,395	-	-	15,395	520
Certificates of Participation, Series 2018	4.25% to 5.00%	2056	60,710	-	60,710	-	60,710	-
CERTIFICATES OF PARTICIPATION SUBTOTAL			200,920	60,710	(4,490)	257,140	5,210	

Premiums			37,513	6,080	(5,592)	38,001	3,282
TOTAL BONDS			618,389	106,700	(81,133)	643,956	28,062

DIRECT BORROWINGS - NOTES PAYABLE

200 Lenovo Computers-First American	6.62%	2028	123	102	-	(23)	79	24
Lenovo Data Center-First American	7.06%	2028	184	159	-	(33)	126	36
55 Dell Computers-First American	7.83%	2029	60	55	-	(11)	44	11
Wells Fargo Bank, UNR MEBD Ref	1.80%	2026	7,570	1,774	-	(879)	895	895
ZionsBankcorp, UNR Football facili	2.25%	2029	3,200	2,099	-	(331)	1,768	338
DIRECT BORROWINGS - NOTES PAYABLE TOTAL			4,189	-	(1,277)	2,912	1,304	

DIRECT BORROWING - FINANCED PURCHASE OBLIGATIONS

State COP KAB and RSC buildings	5%	2043	37,160	37,160	-	(845)	36,315	1,295
Nursing Equip - First American Ban	3.56%	2025	1,484	171	-	(171)	-	-
DIRECT BORROWING - FINANCED PURCHASE OBLIGATIONS TOTAL			37,331	-	(1,016)	36,315	1,295	

TOTAL LONG-TERM DEBT	\$ 659,909	\$ 106,700	\$ (83,426)	\$ 683,183	\$ 30,661
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The revenue bonds are collateralized by tuition and fees, auxiliary enterprises revenues and certain other revenues as defined in the bond indentures. The Certificates of Participation are secured by any and all available revenues as defined in the bond indentures. There are a number of limitations and restrictions contained in the various bond indentures. The most restrictive covenants of the various bond indentures require the various divisions and campuses of the System to maintain minimum levels of revenues, as defined in the indentures. The System is in compliance with all covenants.

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

<u>Year Ended June 30,</u>	<u>UNIVERSITY REVENUE BONDS</u>			<u>COMMUNITY COLLEGE REVENUE BONDS</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 17,910	\$ 11,415	\$ 29,325	\$ 1,660	\$ 2,245	\$ 3,905
2027	18,605	11,034	29,639	1,740	2,161	3,901
2028	18,270	10,149	28,419	1,830	2,071	3,901
2029	19,165	9,261	28,426	1,920	1,978	3,898
2030	20,055	8,335	28,390	2,015	1,879	3,894
2031-2035	102,880	27,547	130,427	11,310	8,231	19,541
2036-2040	54,255	9,775	64,030	13,200	6,319	19,519
2041-2045	21,955	3,516	25,471	15,670	3,755	19,425
2046-2050	12,165	1,199	13,364	10,950	669	11,619
2051-2055	3,260	77	3,337	-	-	-
Thereafter	-	-	-	-	-	-
	<u>\$ 288,520</u>	<u>\$ 92,308</u>	<u>\$ 380,828</u>	<u>\$ 60,295</u>	<u>\$ 29,308</u>	<u>\$ 89,603</u>

NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2025

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

<u>Year Ended June 30,</u>	<u>CERTIFICATES OF PARTICIPATION</u>			<u>DIRECT BORROWINGS - NOTES PAYABLE</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 5,210	\$ 9,457	\$ 14,667	\$ 1,304	\$ 62	\$ 1,366
2027	5,595	9,922	15,517	423	38	461
2028	5,870	9,663	15,533	436	24	460
2029	7,175	9,385	16,560	380	12	392
2030	7,475	9,077	16,552	369	5	374
2031-2035	38,945	40,790	79,735	-	-	-
2036-2040	52,765	31,598	84,363	-	-	-
2041-2045	64,300	20,007	84,307	-	-	-
2046-2050	46,415	8,250	54,665	-	-	-
2051-2055	19,685	2,635	22,320	-	-	-
2056-2060	3,705	79	3,784	-	-	-
Thereafter	-	-	-	-	-	-
	<u>\$ 257,140</u>	<u>\$ 150,863</u>	<u>\$ 408,003</u>	<u>\$ 2,912</u>	<u>\$ 141</u>	<u>\$ 3,053</u>

<u>Year Ended June 30,</u>	<u>DIRECT BORROWING - FINANCE PURCHASE OBLIGATIONS</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,295	\$ 1,707	\$ 3,002
2027	1,360	1,642	3,002
2028	1,430	1,574	3,004
2029	1,500	1,502	3,002
2030	1,575	1,427	3,002
2031-2035	9,145	5,873	15,018
2036-2040	11,675	3,347	15,022
2041-2045	8,335	676	9,011
2046-2050	-	-	-
	<u>\$ 36,315</u>	<u>\$ 17,748</u>	<u>\$ 54,063</u>

Various outstanding notes from direct borrowings and direct placements of the System in the combined amount of \$249 contain provisions that in an event of default, the outstanding amounts become immediately due. Various outstanding notes from direct borrowings and direct placements of the System in the combined amount of \$895 contain provisions that in an event of default, the respective interest rates are reset to a higher default rate.

<u>Obligation</u>	<u>Maturity</u>	<u>Outstanding (\$)</u>	<u>Unused Line of Credit (\$)</u>	<u>Pledged Assets?</u>	<u>Interest Rate/Other</u>	<u>Acceleration</u>	<u>Finance-Related EOD Consequences</u>	
							<u>Finance-Related Termination Events?</u>	<u>Subjective Acceleration Clauses(s)</u>
UNR - MEB Refunding Note	01/02/26	\$895	n/a	No	Yes-Note I	No	No	No
NSU - Lenovo Equipment Lease	07/01/28	79	n/a	Yes-Note III	Yes-Note II	No	No	No
NSU - Lenovo Data Center Lease	09/01/28	126	n/a	Yes-Note III	Yes-Note II	No	No	No
NSU - Dell Equipment Lease	01/01/29	44	n/a	Yes-Note III	Yes-Note II	No	No	No
UNR - Athletics Note	07/01/29	1,768	n/a	No	No	No	No	No

- I. Upon the occurrence and continuance of an Event of Default, the Note will bear interest at the Default Rate, which consists of the summation of the following: (A) three percent (3.0%), and (B) the greatest of (i) the Prime Rate (as defined in Exhibit A of the Note) plus one percent (1.0%), (ii) the Federal Funds Rate (as defined in Exhibit A of the Note) plus two percent (2.0%), and (iii) seven percent (7.0%).
- II. Assets pledged include equipment purchased with proceeds of the lease. Upon an event of default, the Lessor may by notice in writing to Lessee, as liquidated damages for loss of bargain and not as a penalty, accelerate and declare to be immediately due and payable the Stipulated Loss Value.
- III. Assets pledged include equipment purchased with proceeds of the lease. Upon an event of default, the Lessor may by notice in writing to Lessee, as liquidated damages for the loss of bargain and not as a penalty, accelerate and declare to be immediately due and payable the Stipulated Loss Value.

NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 11 – Lessor Leases:

Lease Receivables

The System leases real estate and equipment to independent third parties. The income under these lease agreements was approximately \$46,864 in 2025. The System had current lease receivables and lease receivables due from related organizations of \$6,252 and \$3,178, respectively, and long-term lease receivables and long-term lease receivables due from related organizations of \$29,355 and \$16,568, respectively, as of June 30, 2025. Deferred inflows of resources of \$52,982 are associated with these leases as of June 30, 2025.

The System had a total of 42 leases of which call for payments that are partially or completely variable and were not included in lease receivables or deferred inflows of resources. These variable payments were a result of the underlying lease measured not on a fixed rate, but rather variable due to the underlying payments derived from a percentage of sales, use of a Capital Asset, or changes in an index rate. A total of \$619 was recognized as revenue from these variable payments for the year ended June 30, 2025.

	Beginning Balance	Additions	Deletions	Ending Balance	Current
System Lease Receivable Total	\$ 83,911	18,566	47,124	\$ 55,353	\$ 9,430

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

	Principal	Interest	Total
2026	\$ 9,430	\$ 1,288	\$ 10,718
2027	7,489	1,110	8,599
2028	6,831	934	7,765
2029	6,113	769	6,882
2030	5,250	630	5,880
2031-2035	11,987	1,774	13,761
2036-2040	2,821	692	3,513
2041-2045	2,137	394	2,531
2046-2050	1,455	196	1,651
2051-2055	1,302	93	1,395
2056-2060	538	8	546
Thereafter	-	-	-
Total	\$ 55,353	\$ 7,888	\$ 63,241

NOTE 12 – Lessee Leases:

The System has entered into various leases for land, building, equipment, infrastructure, facilities and improvements with terms and conditions that range in length from one to fifteen years. The System uses municipal market data (MMD) rates to measure lease liabilities unless the interest rate is stated in the lease. Rates ranged from .75 to 3.81 and payments range from \$8 to \$1,310 for fiscal year 2025. Of these leases, a total of 13 agreements call for payments that were partially or completely variable and therefore were not included in lease assets or lease liabilities. These variable payments are a result of the underlying lease measured not on a fixed rate, but rather variable due to the underlying payments derived from a percentage of sales, use from a capital asset, or changes in index rates. A total of \$445 was recognized as expenses from these variable payments for the year ended June 30, 2025. Amortization expense of \$9,855 and interest expense of \$1,067 were incurred for the year ended June 30, 2025.

The total amount of lease assets and the related accumulated amortization are as follows:

Total right-to-use lease assets	\$ 73,496
Less: accumulated amortization	<u>(29,682)</u>
Carrying Value	<u>\$ 43,814</u>

Lease Liabilities

Long-term lease liability activity is summarized as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Current
System long-term lease liability total	\$ 47,448	\$ 8,756	\$ (9,985)	\$ 46,219	\$ 8,975

NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 12 – Lessee Leases (continued)

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 8,975	\$ 1,067	\$ 10,042
2027	8,760	856	9,616
2028	7,093	670	7,763
2029	4,897	539	5,436
2030	4,010	442	4,452
2031-2035	11,532	990	12,522
2036-2040	860	42	902
2041-2045	92	5	97
Thereafter	-	-	-
Total Requirements	<u>\$ 46,219</u>	<u>\$ 4,611</u>	<u>\$ 50,830</u>

NOTE 13 – SBITA:

The System entered into various SBITAs, with terms and conditions that range in length from one to ten years, that convey the System control of the right to use vendor-provided software, alone or in combination with an underlying tangible IT capital asset. The subscription agreement ("Agreement") term rate is solely a combination of an applicable market rate and a credit spread based on market data points as of the most recent quarter end as compared to the Agreement commencement date. The System's interest rate range was between 1.710 and 3.712. The lowest payment was \$5 and the highest \$3,451. Of these SBITAs, some agreements call for payments that are partially or completely variable and therefore were not included in ROU subscription assets or subscription liabilities. These variable payments are derived from a number of licenses that change from time to time, use of the IT asset, or changes in index rates. The System recognized a total of \$2,000 as expenses from these variable payments for the year ended June 30, 2025. Amortization expense of \$22,024 and interest expense of \$1,916 were incurred for the year ended June 30, 2025.

The total amount of subscription assets and the related accumulated amortization are as follows:

Total right-to-use subscription assets	\$ 114,069
Less: accumulated amortization	<u>(36,299)</u>
Carrying Value	<u>\$ 77,770</u>

SBITA Liabilities

Long-term liability activity for the year ended June 30, 2025, is summarized as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Current
SBITA Liability	<u>\$ 70,626</u>	<u>24,237</u>	<u>(21,872)</u>	<u>\$ 72,991</u>	<u>\$ 17,492</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 17,492	\$ 1,985	\$ 19,477
2027	13,567	1,454	15,021
2028	9,381	1,057	10,438
2029	6,841	824	7,665
2030	5,226	654	5,880
2031-2035	20,484	1,323	21,807
Thereafter	-	-	-
Total Requirements	<u>\$ 72,991</u>	<u>\$ 7,297</u>	<u>\$ 80,288</u>

The System has not entered into any additional SBITAs that have not yet commenced as of June 30, 2025.

NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 14 – Unemployment Insurance and Workers’ Compensation:

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

Changes in unemployment and workers compensation for the year ended June 30, 2025, are as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u>
Unemployment insurance	\$ 920	\$ 150	\$ 260	\$ 810
Workers’ compensation	<u>2,592</u>	<u>626</u>	<u>626</u>	<u>2,592</u>
Total	<u>\$3,512</u>	<u>\$ 776</u>	<u>\$ 886</u>	<u>\$3,402</u>

NOTE 15 – System Other Noncurrent Liability Activity:

The activity with respect to System other noncurrent liabilities for the year ended June 30, 2025, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current
Refundable advances under federal loan program	\$ 3,027	\$ 12	\$ (321)	\$ 2,718	\$ -
Compensated absences*	75,128	14,488		89,616	15,966
Other noncurrent liabilities	623	-	(623)	-	-
Total	<u>\$ 78,778</u>	<u>\$ 14,500</u>	<u>\$ (944)</u>	<u>\$ 92,334</u>	<u>\$ 15,966</u>

* Compensated absences is shown at the net change between the beginning and ending balance due to the adoption of GASB Statement 101.

NOTE 16 – Extinguishment of Debt:

In the fiscal year ended June 30, 2025, the System defeased outstanding bonds and obligations by placing the proceeds of new bonds into an irrevocable escrow account to provide for all future debt service payments on the old bonds. Accordingly, the escrow account assets and the liability for the defeased bonds are not included in the System’s financial statements. On June 30, 2025, \$47,850 outstanding bonds were considered defeased.

In the fiscal year ended June 30, 2025, the System refinanced or defeased existing bonds for net cash flow savings or economic gain (present value of cash flow savings). In the fiscal year ended June 30, 2025, the System refinanced \$44,195 of bonds, and refinancing activities produced cash flow savings and economic gain of \$2,725 and \$2,002, respectively.

NOTE 17 – Irrevocable Letter of Credit:

In connection with its self-insured workers’ compensation liability, the System is required to maintain a letter of credit for the State of Nevada in the amount of \$2,079 as of April 10, 2025. A letter of credit for workers' compensation liability is also required by beneficiary, Arrowood Indemnity Co., in the amount of \$120 until September 9, 2025.

NOTE 18 – System Pension Plans:

Substantially all permanent employees of the System are covered by retirement plans. Classified employees are covered by the Public Employees’ Retirement System of Nevada (PERS), a cost-sharing, multiple-employer, defined benefit pension plan administered by the State of Nevada. Professional employees are covered under either PERS or the System Retirement Plan Alternative (RPA), a defined contribution plan administered by the System.

The System’s contribution to all retirement plans for the year ended June 30, 2025, was \$49,240 in Public Employees Retirement Plan (PERS), and \$131,446 in retirement plan alternative (RPA), equal to the required contribution for the year.

System employees may elect to participate in the System Supplemental Retirement Plan, a defined contribution plan qualified under Section 403(b) of the Internal Revenue Code, subject to maximum contribution limits established annually by the Internal Revenue Service.

**NEVADA SYSTEM OF HIGHER EDUCATION
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NOTE 18 – System Pension Plans (continued):

The employee contributions are not matched by the System.

General Information about the System Retirement Plan Alternative (RPA)

The System Retirement Plan Alternative (RPA) is separate from the State of Nevada Public Employees' Retirement System and is administered directly by the Nevada System of Higher Education (NSHE) through approved investment providers.

The System Retirement Plan Alternative (RPA) is a defined contribution pension plan qualified under Internal Revenue Code Section 401(a).

Benefit terms, including vesting and forfeiture provisions, are established by the Nevada System of Higher Education (NSHE) and may be amended by the Board of Regents. Participants are fully vested in both employee and employer contributions upon contribution. Forfeitures, if any, are used to offset future employer contributions.

The RPA is not administered through a trust that meets the criteria in paragraph .101 of GASB Statement No. 68. Plan assets are held by individual investment providers in participant-directed accounts. Therefore, the plan does not meet the criteria for assets being accumulated in a trust that: (1) is dedicated to providing pensions to plan members in accordance with benefit terms, (2) is legally protected from the creditors of the employer, and (3) is protected from being used for purposes other than paying benefits to plan members.

The authority under which employer and employee contribution requirements are established and may be amended is set by the Board of Regents under the provisions of the plan. For the fiscal year ended June 30, 2025, the System contributed \$131,446 to the RPA, representing amounts paid as benefits became due during the year. These payments represent pension expense for the reporting period. There were no forfeitures or outstanding employer pension liabilities at June 30, 2025.

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

General Information about the PERS Cost Sharing Pension Plan

PERS administers a cost-sharing, multiple-employer, defined benefit pension plan, which includes both Regular and Police/Fire members. The PERS was established by the Nevada Legislature in 1947, effective July 1, 1948. The PERS is administered 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.

Benefits Provided

Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the PERS on or after January 1, 2010, and July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.50% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this service time factor is 2.67% of average compensation. For plan members entering the PERS on or after January 1, 2010, there is a 2.50% service time factor for all years of service. Regular plan members entering the PERS on or after July 1, 2015 have a 2.25% service time factor. The 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.

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

Vesting

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

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 18 – System Pension Plans (continued):

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

Contributions

The authority for establishing and amending the obligation to make contributions and member contribution rates, is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. One plan provides for matching employee and employer contributions, while the other plan provides for employer-pay contributions only. Under the matching Employee/Employer Contribution plan, a member may, upon termination of service for which contribution is required, withdraw employee contributions which have been credited to their account. All membership rights and active service credit in the PERS are canceled upon withdrawal of contributions from the member's account. If EPC was elected, the member cannot convert to the Employee/Employer Contribution plan and cannot withdraw these contributions.

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

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

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

For the fiscal year ended June 30, 2024, the statutory employer/employee matching rate was 17.50%. The employer-pay contribution (EPC) rate was 33.50%.

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

At June 30, 2025, the System reported a liability of \$548,108 for its proportionate share of the net pension liability. The System's proportion of the net pension liability is based on their combined employer contributions relative to the total combined employer contributions for all employers for the period ended June 30, 2024. The System's proportionate share is 3.03%, which was an increase of 0.24% from the year ended June 30, 2024.

For the year ended June 30, 2025, the System recognized pension expense of \$75,941. At June 30, 2025, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 116,279	\$ -
Net difference between projected and actual investment earnings on pension plan investments	-	53,995
Changes in assumptions	35,367	-
Changes in proportion	34,799	19,673
System contributions subsequent to the measurement date	49,240	-
	<u>\$ 235,685</u>	<u>\$ 73,668</u>

In 2026 \$49,240 reported as deferred outflows of resources related to pensions resulting from System contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability. Other amounts reported as deferred inflows and outflows of resources will be recognized in pension expense as follows for the years ended June 30:

2026	\$ 15,496
2027	69,921
2028	8,173
2029	6,324
2030	12,863
Thereafter	-
	<u>\$ 112,777</u>

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 18 – System Pension Plans (continued):

Actuarial Assumptions

The PERS net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.50%
Investment Rate of Return	7.25%
Productivity pay increase	0.50%
Projected salary increases	4.20% to 9.10%, depending on service
	Rates include inflation and productivity increases
Other assumptions	Same as those used in the June 30, 2024, funding actuarial valuation

Actuarial assumptions used in the June 30, 2024, valuation was based on the results of the experience study for the period July 1, 2016, through June 30, 2020.

The discount rate used to measure the total pension liability was 7.25% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employers and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except those projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2024.

The following was the PERS Board adopted policy target asset allocation as of June 30, 2024:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Geometric Expected Real Rate of Return</u>
US Stocks	42%	5.50%
International Stocks	18%	5.50%
US Bonds	28%	2.25%
Private Markets	12%	6.65%
Total	100%	

* As of June 30, 2024, PERS' long-term inflation assumption was 2.50%

Pension Liability Discount Rate Sensitivity

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

	<u>1% Decrease (6.25%)</u>	<u>Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
NSHE's proportional share of the net pension liability	\$881,423	\$548,108	\$273,118

Pension plan fiduciary net position

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

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NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
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NOTE 19 – System Postemployment Benefits Other than Pensions:

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

Benefits provided

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

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

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

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

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

Contributions

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

The authority for establishing an assessment to pay for a portion of the cost of premiums or contributions for the program is in statute. The Office of Finance shall establish an assessment that is to be used to pay for a portion of the cost of premiums or contributions for the Program for persons who were initially hired before January 1, 2012 and have retired with state service. The money assessed must be deposited into the Retirees' Fund and must be based upon a base amount approved by the Legislature each session to pay for a portion of the current and future health and welfare benefits for persons who retired before January 1, 1994, or for persons who retire on or after January 1, 1994, as adjusted by the years of service subsidy rates. (NRS 287.046) The required contribution rate for employers (the retired employees group insurance rate), as a percentage of covered payroll, for the fiscal year ended June 30, 2024 was 3.11%. The benefits not paid by the retiree trust are financed via premiums NSHE pay for active employees. The total employer contributions recognized as part of OPEB expense for the current fiscal year ended June 30, 2025 were \$37,523.

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

At June 30, 2025, NSHE reported a liability of \$564,055 for its proportionate share of the collective net OPEB liability. The collective net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the collective net OPEB liability was determined

NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
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NOTE 19 – System Postemployment Benefits Other than Pensions (continued):

by an actuarial valuation measured as of June 30, 2024. 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. On June 30, 2024, the NSHE's proportion was 41.5300%.

For the year ended June 30, 2025, NSHE recognized OPEB expense of \$16,944. On June 30, 2025, NSHE reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Experience	\$ -	\$ 7,214
Changes in assumption	-	54,736
Net difference between projected and actual earnings in OPEB plan investments	-	145
Changes in proportion	12,602	-
System contributions subsequent to the measurement date	37,523	-
Total	<u>\$ 50,125</u>	<u>\$ 62,095</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$37,523 results from NSHE contributions subsequent to the measurement date and before the end of the fiscal year which are included as a reduction of the collective net OPEB liability in the year in

June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2026	\$ (24,409)
2027	(7,798)
2028	(7,774)
2029	(7,513)
Thereafter	<u>(1,999)</u>
Total	<u>\$ (49,493)</u>

Actuarial assumptions

The actuarial assumptions and methods used in the June 30, 2024, valuation are stated below.

Valuation Date	June 30, 2024
Measurement Date	June 30, 2024
Actuarial Method	Entry Age Normal Level % of Pay
Inflation	2.50%
Salary Increases	4.20% to 9.10% varying by service, including inflation
Discount Rate	3.93%
Dental	4.00% graded down 0.25% to ultimate 3.00% over 4 years
Administrative Cost	3.00%
Investment rate of return	2.50%, same as Inflation Rate assumption
Health Care Trend Rates	For medical and prescription drug, 8.00% graded down 0.25% to ultimate 4.50% over 14 years. For Part B Reimbursement, 7.63%, effective July 1, 2025, then 1.00%.
Mortality Rates	Pub-2010 General Healthy Retiree Headcount-Weighted Above-Median Mortality Table, projected by MP-2020 (See Actuarial Assumptions and Methods section for additional details)

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

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NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
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NOTE 19 – System Postemployment Benefits Other than Pensions (continued):

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

The following presents the NSHE’s proportionate share of the collective net OPEB liability, as well as what the NSHE’s proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 2.93% or 1-percentage-point higher 4.93% than the current discount rate:

	CY <u>1% Decrease (2.93%)</u>	CY <u>Discount Rate (3.93%)</u>	CY <u>1% Increase (4.93%)</u>
NSHE's proportionate share of the collective net OPEB liability	\$618,362	\$564,055	\$516,869

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

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

	<u>1% Decrease</u>	<u>Trend Rates</u>	<u>1% Increase</u>
NSHE's proportionate share of the collective net OPEB liability	\$537,516	\$564,055	\$594,263

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, 2025, NSHE reported payables to the defined benefit OPEB plan of \$212 for statutorily required employer contributions which had been assessed on employee salaries but not yet remitted to the Retirees’ Fund.

NOTE 20 – System Commitments and Contingent Liabilities:

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

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

The System is self-insured for its unemployment insurance liability. The System is billed by the State each quarter based on the actual unemployment benefits paid by the State. Each year the System budgets resources to pay for the projected expenditures. The amount of future benefits payments to claimants and the resulting liability to the System cannot be reasonably determined as of June 30, 2025, but no significant reduction in force or staffing cuts are anticipated.

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

The estimated cost to complete property authorized or under construction at June 30, 2025, is \$98,631. These costs will be financed by State appropriations, private donations, available resources and/or long-term borrowings.

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 21 – Risk Management:

The System is an entity created by the Constitution of the State of Nevada. The System transfers its tort liabilities to the Tort Claims Fund of the State. The State purchases excess liability layered policies in the amount of \$10,000 excess of a \$10,000 self-insured retention (SIR).

The System purchases the following commercial insurance:

- Coverage for direct physical loss or damage to the System’s property with limits of \$1B per occurrence and a \$500 per occurrence deductible. (Various sub-limits of liability and deductibles are specified in the policy.)
- Worker’s compensation (foreign and domestic) with statutory limits excess of a \$1,000 SIR.
- Active Assailant layered policies with limits of \$10,000 and a deductible of \$100.
- Crime & Fidelity (employee dishonesty) with limits of \$1,250 and a deductible of \$100.
- Coverage for cyber liability layered policies with limits of \$15,000 per claim and a deductible of \$500.
- Medical malpractice with limits of \$1,000 per claim and \$3,000 aggregate.
- Allied health malpractice with limits of \$1,000 per claim and \$3,000 aggregate.

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

NOTE 22 – Subsequent Events:

In March 2025, the Board of Regents approved the acquisition of the property (Dawson Building), including real property and building improvements located at 1125 Nevada State Drive, Henderson, NV 89002. This property includes approximately 5.49 acres and a 33,499 sq. ft. building (Dawson Building) which is owned by the City of Henderson. The purchase price is \$2,929 plus an estimated \$21 for buyer’s closing costs. In July 2025, escrow was opened with a deposit of 10% (\$293) which will be applied to the purchase price. The balance, \$2,636, plus buyer’s closing costs are due on or before one day prior to the closing date. The closing is required to be within three years (FY2029).

In August 2025, the Board of Regents entered into various agreements related to the development of a new Fieldhouse and Turf Fields at UNR. Under the agreements, UNR is leasing the site (Ground Lease) to the developer and is subleasing the right to occupy the improvements back (Sublease). In connection with the development and construction, there were bonds issued by an independent third party and the lease payments under the Sublease secure the bonds. The Ground Lease is for 1 dollar per year for a period of 35 years or expiration of the 30-year bonds, whichever occurs first. The Sublease requires semiannual payments beginning June 1, 2026, with a payment of \$1,318 and will continue for a period of 30 years. Semiannual payments under the Sublease vary and are approximately \$2,100 per year for the remaining years. The building, improvements and related debt will be recorded as a financed obligation once the construction is completed, which is anticipated in the fiscal year ending June 30, 2027.

NOTE 23– Functional Classification of System Expenses:

The following is the functional classification of Operating expenses as reported on the Statement of Revenues, Expenses and Changes in Net Position for the year ended June 30, 2025:

Instruction	\$ 852,178
Research	206,480
Public service	153,079
Academic support	256,493
Institutional support	253,103
Student services	246,115
Operation and maintenance of plant	165,583
Scholarships and fellowships	126,005
Auxiliary enterprises	117,994
Depreciation	175,619
Total	\$ 2,552,649

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NOTE 24 – System Related Organizations:

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

NEVADA SYSTEM OF HIGHER EDUCATION SYSTEM RELATED ORGANIZATIONS
NET POSITION AS OF JUNE 30, 2025

	CSN Foundation	DRI Foundation	DRI Research Park	GBC Foundation	NSU Foundation	TMCC Foundation	UNLV Foundation	UNLV Research Foundation	Rebel Golf Foundation	UNLV Alumni Association
ASSETS										
<i>Current Assets</i>										
Cash and cash equivalents	\$ 338	\$ 1,645	\$ 42	\$ 343	\$ 602	\$ 1,002	\$ 18,345	\$ 1,061	\$ -	\$ 438
Restricted cash and cash equivalents	3,210	-	-	1,874	7,508	-	-	-	-	-
Short-term investments	4,675	-	-	885	1,619	3,863	24,302	2,004	6,389	2,373
Accounts receivable, net	-	-	-	-	-	55	-	-	-	19
Pledges receivable, net	8	800	-	30	128	392	6,540	-	-	-
Patient accounts receivable, net	-	-	-	-	-	-	-	-	-	-
Current portion of loans receivable, net	-	-	-	-	-	-	-	-	-	-
Leases Receivable	-	-	-	-	-	-	459	573	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Deposits and prepaid expenditures, current	4	-	-	-	1	-	159	2	-	10
Due from affiliated organizations	-	1	-	5	-	-	553	-	-	-
Other current assets	-	-	-	11	-	-	886	-	-	-
Total Current Assets	8,235	2,446	42	3,148	9,858	5,312	51,244	3,640	6,389	2,840
<i>Noncurrent Assets</i>										
Investments	2,769	-	-	418	1,740	1,091	97,062	-	-	-
Restricted investments	-	-	-	9,877	-	-	-	-	-	-
Endowment investments	-	-	-	-	-	-	369,093	-	-	-
Loans receivable, net	-	-	-	-	-	-	-	-	-	-
Leases Receivable, LT	-	-	-	-	-	-	2,385	8,290	-	-
Capital assets, net	-	397	-	-	-	-	8,565	10,651	32	101
Pledges receivable, net	24	-	-	188	143	175	18,540	-	-	-
Other noncurrent assets	-	-	-	-	-	107	13,625	-	-	-
Total Noncurrent Assets	2,793	397	-	10,483	1,883	1,373	509,270	18,941	32	101
TOTAL ASSETS	11,028	2,843	42	13,631	11,741	6,685	560,514	22,581	6,421	2,941
LIABILITIES										
<i>Current Liabilities</i>										
Accounts payable	12	-	-	11	-	45	845	111	-	19
Accrued payroll and related liabilities	-	-	-	33	-	-	-	-	-	-
Current portion of compensated absences	-	-	-	-	-	-	-	-	-	-
Current portion of leases payable	-	-	-	-	-	-	-	-	-	-
Current portion of subscriptions payable	-	-	-	-	-	-	-	-	-	-
Leases Payable Due to Related Organizations	-	-	-	-	-	-	-	-	-	-
Unearned revenue	5	-	3	-	-	-	-	-	-	-
Funds held in trust for others	-	-	-	-	-	-	-	-	-	-
Due to Related Organizations	-	-	-	-	-	278	-	-	-	-
Grant payable	-	-	-	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	37	28	9	36	-
Total Current Liabilities	17	-	3	44	-	360	873	120	36	19
<i>Noncurrent Liabilities</i>										
Compensated absences	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	83	-	-	-	-	-	-	-
Lease Payable Due to Related Organizations, LT	-	-	-	-	-	-	-	-	-	-
Leases payable	-	-	-	-	-	-	-	-	-	-
Subscriptions Payable	-	-	-	-	-	-	-	-	-	-
Other noncurrent liabilities	-	-	-	-	-	41	1,223	-	-	-
Total Noncurrent Liabilities	-	-	83	-	-	41	1,223	-	-	-
TOTAL LIABILITIES	17	-	86	44	-	401	2,096	120	36	19
DEFERRED INFLOWS OF RESOURCES										
Split-interest agreements	-	-	-	28	-	-	1,017	-	-	-
Deferred inflows on leases	-	-	-	-	-	-	2,791	11,227	-	-
TOTAL DEFERRED INFLOW OF RESOURCES	-	-	-	28	-	-	3,808	11,227	-	-
NET POSITION										
Net investment in capital assets	-	397	-	-	-	29	1,030	10,651	-	101
Restricted - Nonexpendable	2,769	-	-	5,400	1,740	1,092	226,793	-	-	-
Restricted - Expendable - Scholarships, research and instructio	6,682	961	-	6,326	9,399	3,890	321,487	-	-	2
Restricted - Expendable - Capital projects	-	-	-	243	-	-	-	-	-	-
Restricted - Expendable - Other	-	-	-	-	-	-	-	-	-	-
Unrestricted	1,560	1,485	(44)	1,590	602	1,273	5,300	583	6,385	2,819
TOTAL NET POSITION	\$ 11,011	\$ 2,843	\$ (44)	\$ 13,559	\$ 11,741	\$ 6,284	\$ 554,610	\$ 11,234	\$ 6,385	\$ 2,922

NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 24 - System Related Organizations (continued):

NEVADA SYSTEM OF HIGHER EDUCATION SYSTEM RELATED ORGANIZATIONS
NET POSITION AS OF JUNE 30, 2025

	UNLV Rebel Football Foundation	UNLV Rebel Soccer Foundation	UNLV Singapore Limited	UNLV MED	UNR Foundation	UNR WPAA	WNC Foundation	NHBAC	Total System Related Organizations
ASSETS									
Current Assets									
Cash and cash equivalents	\$ 1,848	\$ 71	\$ 164	\$ 5,037	\$ 48,582	\$ 65	\$ 928	\$ 48,375	\$ 128,886
Restricted cash and cash equivalents	-	-	-	574	-	-	1,119	-	14,285
Short-term investments	1,712	544	5,582	-	324,573	10,854	-	-	389,375
Accounts receivable, net	-	-	-	11,353	8,099	-	-	34	19,560
Pledges receivable, net	140	-	-	-	6,587	-	-	386	15,011
Patient accounts receivable, net	-	-	-	5,404	-	-	-	-	5,404
Current portion of loans receivable, net	-	-	-	-	18	-	-	-	18
Leases Receivable	-	-	-	-	-	-	-	-	1,032
Inventories	-	-	-	487	-	-	-	-	487
Deposits and prepaid expenditures, current	-	-	2	395	-	-	9	61	643
Due from affiliated organizations	-	-	-	267	563	25	-	-	1,414
Other current assets	-	9	38	-	1,551	-	-	-	2,495
Total Current Assets	3,700	624	5,786	23,517	389,973	10,944	2,056	48,856	578,610
Noncurrent Assets									
Investments	-	-	-	-	146,947	-	-	-	250,027
Restricted investments	-	-	-	-	-	-	8,724	-	18,601
Endowment investments	-	1,190	-	-	-	-	-	-	370,283
Loans receivable, net	-	-	-	-	10	-	-	-	10
Leases Receivable, LT	-	-	-	-	-	-	-	-	10,675
Capital assets, net	-	-	-	1,392	39,935	34	-	128,837	189,944
Pledges receivable, net	-	-	-	-	10,276	-	-	-	29,346
Other noncurrent assets	-	-	-	20,157	10,912	-	-	-	44,801
Total Noncurrent Assets	-	1,190	-	21,549	208,080	34	8,724	128,837	913,687
TOTAL ASSETS	3,700	1,814	5,786	45,066	598,053	10,978	10,780	177,693	1,492,297
LIABILITIES									
Current Liabilities									
Accounts payable	-	2	-	1,587	215	-	-	234	3,081
Accrued payroll and related liabilities	-	-	-	662	-	-	-	-	695
Current portion of compensated absences	-	-	-	1,038	-	-	-	-	1,038
Current portion of leases payable	-	-	-	214	-	-	-	-	214
Current portion of subscriptions payable	-	-	-	436	-	-	-	-	436
Leases Payable Due to Related Organizations	-	-	-	3,178	-	-	-	-	3,178
Unearned revenue	-	-	-	-	-	-	77	-	85
Funds held in trust for others	-	-	-	-	-	-	-	13,890	13,890
Due to Related Organizations	-	-	-	6,517	1,941	-	-	-	8,736
Grant payable	-	-	-	-	-	-	-	37,720	37,720
Other current liabilities	-	-	76	1,235	-	1	9,843	16,209	27,474
Total Current Liabilities	-	2	76	14,867	2,156	1	9,920	68,053	96,547
Noncurrent Liabilities									
Compensated absences	-	-	-	168	-	-	-	-	168
Unearned revenue	-	-	-	-	7	-	-	-	90
Lease Payable Due to Related Organizations, LT	-	-	-	16,568	-	-	-	-	16,568
Leases payable	-	-	-	568	-	-	-	-	568
Subscriptions Payable	-	-	-	495	-	-	-	-	495
Other noncurrent liabilities	-	-	-	-	-	-	-	-	1,264
Total Noncurrent Liabilities	-	-	-	17,799	7	-	-	-	19,153
TOTAL LIABILITIES	-	2	76	32,666	2,163	1	9,920	68,053	115,700
DEFERRED INFLOWS OF RESOURCES									
Split-interest agreements	-	-	-	-	7,813	-	-	-	8,858
Deferred inflows on leases	-	-	-	-	-	-	-	-	14,018
TOTAL DEFERRED INFLOW OF RESOURCES	-	-	-	-	7,813	-	-	-	22,876
NET POSITION									
Net investment in capital assets	-	-	-	91	39,935	34	-	77,226	129,494
Restricted - Nonexpendable	47	780	-	574	221,216	3,070	-	-	463,481
Restricted - Expendable - Scholarships, research and instruction	148	410	-	-	301,595	6,799	-	-	657,699
Restricted - Expendable - Capital projects	-	-	-	-	-	-	-	-	243
Restricted - Expendable - Other	-	-	-	-	-	-	-	13,228	13,228
Unrestricted	3,505	622	5,710	11,735	25,331	1,074	860	19,186	89,576
TOTAL NET POSITION	\$ 3,700	\$ 1,812	\$ 5,710	\$ 12,400	\$ 588,077	\$ 10,977	\$ 860	\$ 109,640	\$ 1,353,721

NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 24 - System Related Organizations (continued):

NEVADA SYSTEM OF HIGHER EDUCATION SYSTEM RELATED ORGANIZATIONS
REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 20, 2025

	CSN Foundation	DRI Foundation	DRI Research Park	GBC Foundation	NSU Foundation	TMCC Foundation	UNLV Foundation	UNLV Research Foundation	Rebel Golf Foundation	UNLV Alumni Association
Operating Revenues										
Patient revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contract revenue	-	-	-	-	-	-	-	-	-	-
Contributions	1,275	2,898	-	1,100	2,011	2,278	44,862	158	114	1,085
Federal grants and contracts	-	-	-	-	-	-	-	-	-	-
Local grants and contracts	-	-	-	-	-	-	-	-	-	-
Campus support	-	497	57	214	-	430	4,008	-	-	-
Special events and fundraising	116	288	-	-	-	-	-	-	-	150
Other operating revenues	4	-	28	-	318	157	10,260	2	29	183
Total Operating Revenues	<u>1,395</u>	<u>3,683</u>	<u>85</u>	<u>1,314</u>	<u>2,329</u>	<u>2,865</u>	<u>59,130</u>	<u>160</u>	<u>143</u>	<u>1,418</u>
Operating Expenses										
Employee compensation and benefits	-	(497)	(47)	-	-	-	(3,404)	(158)	-	(733)
Supplies and services	(555)	(225)	(10)	-	-	-	(7,794)	(233)	(67)	(537)
Program expenses, System Related Organizations	(504)	-	-	(88)	(113)	(689)	(33)	-	(3)	(397)
Depreciation	-	-	-	-	-	-	(138)	(528)	-	(4)
Payments to System campuses and divisions	(1,069)	(2,253)	-	(1,092)	(691)	(2,262)	(63,313)	(55)	(383)	-
Other operating expenses	-	(7)	-	(386)	(858)	(524)	-	-	-	-
Total Operating Expenses	<u>(2,128)</u>	<u>(2,982)</u>	<u>(57)</u>	<u>(1,566)</u>	<u>(1,662)</u>	<u>(3,475)</u>	<u>(74,682)</u>	<u>(974)</u>	<u>(453)</u>	<u>(1,671)</u>
Operating Income (Loss)	<u>(733)</u>	<u>701</u>	<u>28</u>	<u>(252)</u>	<u>667</u>	<u>(610)</u>	<u>(15,552)</u>	<u>(814)</u>	<u>(310)</u>	<u>(253)</u>
Nonoperating Revenues (Expenses)										
Investment Income (Loss), net	883	(1,478)	-	1,274	-	182	50,863	157	628	218
Interest expense	-	-	-	-	-	-	-	-	-	-
Other nonoperating revenues (expenses)	-	-	-	-	-	-	(353)	831	-	-
Total Nonoperating Revenues (Expenses)	<u>883</u>	<u>(1,478)</u>	<u>-</u>	<u>1,274</u>	<u>-</u>	<u>182</u>	<u>50,510</u>	<u>988</u>	<u>628</u>	<u>218</u>
Income (Loss) Before Other Revenue (Expenses)	<u>150</u>	<u>(777)</u>	<u>28</u>	<u>1,022</u>	<u>667</u>	<u>(428)</u>	<u>34,958</u>	<u>174</u>	<u>318</u>	<u>(35)</u>
Other Revenues (Expenses)										
Additions to permanent endowments	165	-	-	13	133	-	14,687	-	-	-
Other Foundation revenues (expenses)	-	-	-	-	-	-	-	-	-	-
Total Other Revenues (Expenses)	<u>165</u>	<u>-</u>	<u>-</u>	<u>13</u>	<u>133</u>	<u>-</u>	<u>14,687</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Position	<u>315</u>	<u>(777)</u>	<u>28</u>	<u>1,035</u>	<u>800</u>	<u>(428)</u>	<u>49,645</u>	<u>174</u>	<u>318</u>	<u>(35)</u>
NET POSITION										
Net position - beginning of year	10,696	3,620	(72)	12,524	10,941	6,712	504,965	11,060	6,067	2,957
Net position - end of year	<u>\$ 11,011</u>	<u>\$ 2,843</u>	<u>\$ (44)</u>	<u>\$ 13,559</u>	<u>\$ 11,741</u>	<u>\$ 6,284</u>	<u>\$ 554,610</u>	<u>\$ 11,234</u>	<u>\$ 6,385</u>	<u>\$ 2,922</u>

NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 24 - System Related Organizations (continued):

NEVADA SYSTEM OF HIGHER EDUCATION SYSTEM RELATED ORGANIZATIONS
REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 20, 2025

	UNLV Rebel Football Foundation	UNLV Rebel Soccer Foundation	UNLV Singapore Unlimited	UNLVMED	UNR Foundation	UNR WPAA	WNC Foundation	NHBAC	Total System Related Organizations
Operating Revenues									
Patient revenue	\$ -	\$ -	\$ -	\$ 56,638	\$ -	\$ -	\$ -	\$ -	\$ 56,638
Contract revenue	-	-	-	16,724	-	-	-	-	16,724
Contributions	3,910	62	-	-	61,312	60	1,248	586	122,959
Federal grants and contracts	-	-	-	-	-	-	-	1,368	1,368
Local grants and contracts	-	-	-	-	-	-	-	1,291	1,291
Campus support	-	-	-	-	4,462	-	326	-	9,994
Special events and fundraising	226	51	-	-	783	-	220	-	1,834
Other operating revenues	156	2	-	9,014	-	-	33	7,859	28,045
Total Operating Revenues	4,292	115	-	82,376	66,557	60	1,827	11,104	238,853
Operating Expenses									
Employee compensation and benefits	-	-	(47)	(31,571)	(4,572)	-	(349)	(541)	(41,919)
Supplies and services	(162)	(69)	(100)	(703)	(3,292)	(26)	(65)	(616)	(14,454)
Program expenses, System Related Organizations	(2,470)	(78)	(87)	(9,492)	(430)	-	-	(6,933)	(21,317)
Depreciation	-	-	-	(4,324)	-	(2)	-	(4,177)	(9,173)
Payments to System campuses and divisions	-	-	-	(38,006)	(52,053)	(430)	(1,234)	-	(162,841)
Other operating expenses	-	-	-	-	-	-	(157)	-	(1,932)
Total Operating Expenses	(2,632)	(147)	(234)	(84,096)	(60,347)	(458)	(1,805)	(12,267)	(251,636)
Operating Income (Loss)	1,660	(32)	(234)	(1,720)	6,210	(398)	22	(1,163)	(12,783)
Nonoperating Revenues (Expenses)									
Investment Income (Loss), net	432	167	150	-	48,451	1,239	217	2,662	106,045
Interest expense	-	-	-	(580)	-	-	-	-	(580)
Other nonoperating revenues (expenses)	-	-	-	-	-	-	-	(1,000)	(522)
Total Nonoperating Revenues (Expenses)	432	167	150	(580)	48,451	1,239	217	1,662	104,943
Income (Loss) Before Other Revenue (Expenses)	2,092	135	(84)	(2,300)	54,661	841	239	499	92,160
Other Revenues (Expenses)									
Additions to permanent endowments	-	-	-	-	13,921	27	-	-	28,946
Other Foundation revenues (expenses)	-	-	356	-	-	-	-	-	356
Total Other Revenues (Expenses)	-	-	356	-	13,921	27	-	-	29,302
Increase (Decrease) in Net Position	2,092	135	272	(2,300)	68,582	868	239	499	121,462
NET POSITION									
Net position - beginning of year	1,608	1,677	5,438	14,700	519,495	10,109	621	109,141	1,232,259
Net position - end of year	<u>\$ 3,700</u>	<u>\$ 1,812</u>	<u>\$ 5,710</u>	<u>\$ 12,400</u>	<u>\$ 588,077</u>	<u>\$10,977</u>	<u>\$ 860</u>	<u>\$109,640</u>	<u>\$ 1,353,721</u>

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 24 - System Related Organizations (continued):

UNR Foundation:

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

	<u>2025</u>
Cash and cash equivalents	\$ 11,809
Money market funds	<u>36,773</u>
	<u>\$ 48,582</u>

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

	<u>2025</u>
Equity investments	\$ 1,933
Commingled funds	419,208
Certificates of deposits	3,094
Corporate bonds	28,666
U.S. Government securities	<u>18,619</u>
	<u>\$ 471,520</u>

At June 30, 2025, the Foundation's investments had the following maturities:

	<u>Investment Maturities (in years)</u>			
	<u>Less than 1</u>	<u>1-5</u>	<u>6-21</u>	<u>Fair Value</u>
Certificates of deposits	\$ 1,657	\$ 1,438	\$ -	\$ 3,095
Corporate bonds	4,006	24,660	-	28,666
U.S. Government securities	<u>8,265</u>	<u>10,354</u>	-	<u>18,619</u>
	<u>\$ 13,928</u>	<u>\$ 36,452</u>	<u>\$ -</u>	<u>\$ 50,380</u>

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

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

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

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

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 24 - System Related Organizations (continued):

Investment Program Strategy

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

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

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

Investment Risk Factors

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

Concentration of Credit Risk

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

Credit Risk

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

At June 30, 2025, the Foundation's investments had the following quality ratings:

	Quality Ratings			
	Fair Value	AAA - A-	BBB+ - B-	Unrated
Corporate Bonds	\$ 28,666	\$ 19,357	\$ 6,214	\$ 3,094

Interest Rate Risk

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

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 24 - System Related Organizations (continued):

Custodial Credit Risk – Deposits

In the case of deposits, there is the risk that in the event of a bank failure, the Foundation's deposits may not be returned if balances are in excess of Federal Deposit Insurance Corporation ("FDIC") maximums. All cash deposits are primarily on deposit with two financial institutions and several investment companies. The Foundation does not have a deposit policy for custodial credit risk. As of June 30, 2025, the Foundation's bank balances totaled \$48,600. Of this balance, \$800 was covered by depository insurance and \$36,800 is held in US Government Money Market Funds and the remaining \$11,000 was uninsured and uncollateralized and, as a result, was subject to custodial credit risk at June 30, 2025.

Custodial Credit Risk – Investments

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

Redemption Notice

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

Commitments

As of June 30, 2025, the Foundation has commitments to acquire approximately \$20,500, in commingled funds.

Fair Value Measurements

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

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

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

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

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

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

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

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 24 - System Related Organizations (continued):

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

Assets measured at fair value on a recurring basis at June 30, 2025, are:

	<u>Level 1</u>	<u>NAV</u>	<u>Total</u>
Investments			
Equity investments	\$ 1,933	\$ -	\$ 1,933
Commingled funds	27,939	391,269	419,208
Certificate of deposit	3,094	-	3,094
Corporate bonds	28,666	-	28,666
U.S. Government securities	18,619	-	18,619
	<u>\$ 80,251</u>	<u>\$ 391,269</u>	<u>\$ 471,520</u>
Residual interest in trusts			
Commingled funds	<u>\$ -</u>	<u>\$ 733</u>	<u>\$ 733</u>

The Foundation did not hold any investments fair valued using Level 2 or 3 inputs for the year ended June 30, 2025.

Related Party Transactions

The University provided the Foundation with administrative and support services for the year ended June 30, 2025, in the amount of \$4,500. The Foundation received \$900 for management fees related to endowments held on the University's behalf from NSHE for the years ended June 30, 2025. The Foundation received \$1,700 in contributions from current Foundation board members and Emeriti for the years ended June 30, 2025. These amounts are included in investment income on the Statements of Support and Revenue, Expenses and Changes in Net Position. The Foundation recorded pledges receivable from related parties of \$2,300 for the years ended June 30, 2025, and in-kind contributions of \$1 for the year ended June 30, 2025. Amounts due from the University of Nevada at June 30, 2025 are \$600.

Amounts transferred to related parties for the years ended June 30, 2025, \$49,200. Amounts reflect totals transferred to the Board of Regents and the University for university programs, scholarships and capital projects. Amounts due from the Foundation to the University at June 30, 2025 are \$1,900.

UNLV Foundation:

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

The calculation of realized gains and losses is independent of the calculation of the net change in the fair value of investments. Realized gains and losses on investments that had been held more than one fiscal year and sold in the current year were included as a change in the fair value of investments reported in prior years. Investment expenses of \$957 for the year ended June 30, 2025 and was netted against interest and dividends on the accompanying Statements of Support and Revenues, Expenses and Changes in Net Position. Investments are recorded on the date of settlement.

NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 24 - System Related Organizations (continued):

Investments consist of the following at June 30, 2025:

Mutual funds	\$ 29,678
Certificates of deposits	2,226
Equities	18,006
Collateralized securities	28,142
U.S. government obligations	20,356
U.S. corporate bonds	22,801
Alternative investments	365,394
Non-U.S. corporate bonds	3,855
Investment in securities at fair value	\$ 490,458

Investment in securities at fair value

Investment in securities - Current	\$ 24,302
Investment in securities - Non-Current	466,155
Investment in securities at fair value	\$ 490,457

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the UNLV Foundation will not be able to recover deposits or collateral securities that are in the possession of an outside party. At June 30, 2025, the total balance for the UNLV Foundation's cash and money market funds was \$17,200. Of this balance, \$250 at June 30, 2025, were covered by the Federal Deposit Insurance Corporation, and \$17,000 was uninsured at June 30, 2025. Cash balances in United States banks are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250 per bank.

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

Credit Risk

Credit risk is the risk that an issuer will not fulfill its obligations. The UNLV Foundation reduces its exposure to credit risk with policy guidelines that instruct money managers to purchase securities rated investment grade or better. However, up to 25% of the fixed-income portfolios may be allocated to below investment grade. The credit ratings of fixed income investments at June 30, 2025, are as follows:

June 30, 2025	Total	AAA	AA	A	BBB	Below Investment Grade
Collateralized securities	\$ 28,142	\$ 25,260	\$ 865	\$ 1,327	\$ 690	\$ -
U.S. corporate bonds	22,801	203	-	7,211	14,770	617
Non-U.S. corporate bonds	3,855	-	183	2,590	1,052	30
Total	\$ 54,798	\$ 25,463	\$ 1,048	\$ 11,128	\$ 16,512	\$ 647

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 24 - System Related Organizations (continued):

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

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Foundation's investments within any one issuer. For the fixed income portion of the endowment pool, the Foundation's policy for reducing its exposure to concentration of credit risk is to limit the investments within any one issuer to a maximum of 5% of the fixed income portfolio, provided that issues of the U.S. Government or agencies of the U.S. Government may be held without limitation and provided further that issues of agencies of the U.S. Government shall be limited to the extent set forth in the manager-specific guidelines. The Foundation does not have a specific policy with regard to the operating pool or the remainder of the endowment pool. At June 30, 2025, there were no investments over 5% with any one issuer in an amount that would constitute a concentration of credit risk to the Foundation.

Interest Rate Risk

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

For investments in donor-restricted endowment funds, the UNLV Foundation uses the Bloomberg Barclays Aggregate U.S. Bond Index average as the benchmark; maturity as of June 30, 2025, were 8.25 years. The fixed-income portfolio's average maturity was 9.07 years at June 30, 2025. Interest rates range from 4.80% to 5.19% for the year ended.

For investments in donor-restricted expendable funds, the UNLV Foundation uses the Bloomberg Barclays Aggregate U.S. Bond Index average as the benchmark; maturity as of June 30, 2025 were 12.6 years. The fixed-income portfolio's average maturity was 14.1 years at June 30, 2025. Interest rates range from 0.00% to 10.8% for the year ended June 30, 2025.

	Maturity under 1 Year	Maturity 1 -5 Years	Maturity 6 - 10 Years	Maturity over 10 Years	Total
Investments at June 30, 2025					
Mutual funds	\$ 23,329	\$ 6,349	\$ -	\$ -	\$ 29,678
Certificates of deposits	173	2,053	-	-	2,226
Collateralized securities	-	3,652	2,346	22,144	28,142
U.S. Government obligations	-	12,568	1,703	6,084	20,355
U.S corporate bonds	800	11,726	8,047	2,228	22,801
Non-U.S. corporate bonds	-	2,345	1,121	389	3,855
Investment in Securities at Fair Value	\$ 24,302	\$ 38,693	\$ 13,217	\$ 30,845	\$ 107,057

Foreign Currency Risk

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

Fair Value Measurements

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

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

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

NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 24 - System Related Organizations (continued):

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

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

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

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

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

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

Assets measured at fair value on a recurring basis at June 30, 2025, are:

Investments at June 30, 2025	Level 1	Level 2	Level 3	NAV	Total
Alternative investment	\$ -	\$ -	\$ -	\$365,394	\$ 365,394
Mutual funds	29,678	-	-	-	29,678
Collateralized securities	-	28,142	-	-	28,142
U.S corporate bonds	22,801	-	-	-	22,801
Non-U.S. corporate bonds	3,855	-	-	-	3,855
Equities	18,006	-	-	-	18,006
Certificates of deposits	2,225	-	-	-	2,225
U.S. Government obligations	20,356	-	-	-	20,356
	\$ 96,921	\$ 28,142	\$ -	\$365,394	\$ 490,457
Investments in real estate	\$ -	\$ -	\$ 11,830	\$ -	\$ 11,830
Assets held in charitable remainder trusts					
Equities	\$ -	\$ -	\$ 1,300	\$ -	\$ 1,300

Related Party Transactions

UNLV contributes to the administrative and accounting support of the UNLV Foundation. This support totaled \$4,000 for the year ended June 30, 2025, is included as University Support on the accompanying Statements of Support and Revenues, Expenses and Changes in Net Position.

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 24 - System Related Organizations (continued):

The Foundation transfers funds for programs and scholarships as requested by UNLV and its affiliated foundations, as appropriate and approved. Program expenses in the amount of \$46,700 were transferred to UNLV and its affiliated foundations for the year ended June 30, 2025. Scholarship expenses were \$11,000 for year ended June 30, 2025. Both are included in the accompanying Statements of Support and Revenues, Expenses and Changes in Net Position.

The UNLV Foundation transfers funds for salaries and benefits to UNLV. Due to the timing of payroll, position vacancies, and salary reassignments, the amount in the UNLV Foundation account at UNLV is treated as Due to UNLV or a Due to the UNLV Foundation. The UNLV Foundation had a Due from UNLV of \$600 as of June 30, 2025, resulting primarily from amounts transferred to UNLV for salaries and benefits that are not year payable as of the end of the respective year.

UNLV Medicine Inc. dba UNLV Health:

Patient Receivables

Patient receivables are uncollateralized patient and third-party obligations. Unpaid patient receivables are not assessed interest. Payments of patient receivables are allocated to the specific claims identified on the remittance advice or, if unspecified, are applied to the earliest unpaid claim.

The carrying amount of patient receivables is reduced by a valuation allowance that reflects management's estimate of amounts that will not be collected from patients and third-party payors. Management reviews patient receivables by payor class and applies percentages to determine estimated amounts that will not be collected from third parties under contractual agreements and amounts that will not be collected from patients due to bad debts. Management considers historical write-off and recovery information in determining the estimated bad debt provision.

Operating Revenues and Expenses

UNLV Health's statement of revenues, expenses, and changes in net position distinguishes between operating and nonoperating revenues and expenses. Operating revenues and expenses result from exchange transactions associated with providing health care services - UNLV Health's principal activity, and the cost of providing those services, including depreciation and excluding interest costs. All other revenues and expenses are reported as nonoperating.

Net Contract Revenue

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

Grants and Contributions

UNLV Health may receive grants as well as contributions from individuals and private organizations. Revenues from grants and contributions (including contributions of capital assets) are recognized when all eligibility requirements, including time requirements are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenues. Amounts restricted to capital acquisitions are reported after revenues in excess of expenses and changes in net position.

Net Patient Service Revenue

UNLV Health has agreements with third-party payors that provide for payments to UNLV Health at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare – Medicare is a federal health insurance program that provides coverage for people 65 years and older, for certain disabled people, and for some people with End Stage Renal Disease. Medicare reimburses physician claims based on a resource based relative value scale (RBRVS) that assigns value to procedures in relation to one another and is used to establish the Medicare fee schedule. The Medicare fee schedule determines how UNLV Health is paid.

Medicaid – Medicaid is a medical coverage program jointly funded by both the states and the federal government for residents who qualify based on annual income that falls below the state or nationally indicted poverty level. UNLV Health is paid according to the Medicaid fee schedule.

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 24 - System Related Organizations (continued):

Commercial and Other Insurance – UNLV Health has entered into agreements with numerous nongovernmental third-party payors to provide patient care to beneficiaries under a variety of payment arrangements. These include contracts with commercial insurance companies and workers’ compensation plans, which reimburse UNLV Health on a fee schedule, a percentage of billed charges, or a percentage of RBRVS.

Net patient service revenue is reported when services are provided to patients, including capitation payment arrangements, at the estimated net realizable amounts from patients, third-party payors including Medicare and Medicaid, and others for services rendered, including estimated retroactive audit adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Contractual adjustments include differences between established billing rates and amounts reimbursable under various contractual agreements. Contractual adjustments are recorded as deductions from professional fee revenue to arrive at net patient service revenue.

Concentration of gross revenues by major payor accounted for the following percentages of UNLV Health’s patient service revenues for the year ended June 30, 2025:

	2025
Medicare	22%
Medicaid	45%
Commercial	26%
Governmental agencies	3%
Self pay	4%
	<u>100%</u>

Upper Payment Limit (UPL) and Medicaid Care Organization (MCO) Supplemental Payment Program

The State of Nevada currently has a UPL and MCO Supplemental Payment Program (Program). Revenue for UPL and MCO is accrued and recognized based on the previous quarter’s payment. The formula for calculating and distributing these payments is authorized pursuant to the Medicaid State Plan.

The following table summarizes the UPL and MCO funds earned and fees paid. The funds earned are included in net patient service revenue and the assessment is included in academic support expenses in the accompanying statements of revenues, expenses and changes in net position for the year ended June 30, 2025:

UPL and MCO funds earned	\$ 9,939
UPL and MCO assessment	<u>(3,707)</u>
	<u>\$ 6,232</u>

As of June 30, 2025, a receivable of \$6,757 related to amounts still to be collected is included in other accounts receivable on the statement of net position. The annual amounts to be received and paid by UNLV Health are subject to change annually based on various factors involved in determining the amount of federal matching funds.

Transactions with Affiliates and Related Parties

KSOM pays salaries for all its faculty physician members along with leases, malpractice, EMR, and other administration expenses. UNLV Health reimburses KSOM for any amounts not covered by state appropriations, grant contract income, or other sources that are administered by KSOM. During the fiscal year ended June 30, 2025, UNLV Health recorded the following expenses during the year ended June 30, 2025:

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 24 - System Related Organizations (continued):

Physician salaries, including bonuses	\$ 27,485
Residency GME support	1,109
Lease payments, excluding amounts offset to principal of \$2,141	830
Malpractice, legal, and general liability insurance	1,672
EMR and IT related expenses	813
Dean's taxes	-
Audit fees	69
Other administrative expenses	<u>531</u>
Total expenses to KSOM	<u>\$ 32,509</u>

UNLV Health owes KSOM \$3,179 related to these expenses as of June 30, 2025, which are included in due to affiliates, net, in the accompanying statement of financial position.

In addition to these expenses, UNLV Health incurred amounts to KSOM related to the Upper Payment Limit (UPL) and the Medicaid Care Organization (MCO) Supplemental Payment Program in the following amounts, which are included as an offset to net patient service revenue:

Upper Payment Limit (UPL) fees	\$ 1,734
Medicaid Care Organization (MCO) Supplemental Payment Program fees	<u>1,973</u>
Total UPL and MCO Supplemental Payment Program fees	<u>\$ 3,707</u>

UNLV Health owes KSOM \$3,338 related to this amount as of June 30, 2025, which is included in due to affiliates, net, in the accompanying statement of financial position.

KSOM has granted UNLV Health rights to use the respective facility assets. In return for KSOM granting UNLV Health the right to use those certain facility assets, UNLV Health will be responsible for paying monthly financial obligations due for said leases for the duration of the lease terms unless the parties agree otherwise in writing.

At June 30, 2025, UNLV Health had right to use facility assets, net, sub-leased from KSOM of \$17,470 and related lease liabilities of \$18,721. UNLV Health incurred variable expenses of \$280 and interest expense of \$349 related to these leases. UNLV Health paid \$3,459 related to these lease agreements of which \$2,141 reduced the lease liabilities.

At the end of the previous fiscal year, UNLV Health entered into an agreement with KSOM related to an electronic health record (EHR) system. This agreement was recorded as a subscription-based IT arrangement (SBITA). At the time this agreement was entered into, a SBITA asset and related SBITA liability were recorded in the amount of \$1,803. During the year ended June 30, 2025, UNLV Health paid \$415 related to this SBITA agreement of which \$389 reduced the liability to \$729 and \$26 was recorded as interest expense. In addition, amortization expense was recorded which resulted in the net book value of the SBITA asset being reduced to \$694.

UNLV Health is covered under a professional liability insurance policy for medical malpractice claims that is purchased by KSOM and names UNLV Health as additional named insured. The policy is on a claims-made basis and provides coverage of \$1,000 per claim and \$3,000 per year in the aggregate. KSOM presently intends to renew claims-made coverage annually and expects to be able to obtain such coverage. UNLV Health reimbursed KSOM \$1,672 for the professional liability malpractice insurance and other insurance premiums during the year ended June 30, 2025.

UNLV Health also paid \$208 to UNLV for PCC expenses that consisted of (a) variable cost rent expense of \$196,277 and (b) interest expense of \$12. In relation to this agreement, UNLV Health has a right to use leased asset, net, of \$994 and a related lease liability of \$1,054.

UNLV Health provides coverage in UNLV's student health clinic, sport medicine, and obstetrics/gynecology. The total amount of service provided and included in contract revenue for the year ended June 30, 2025 was \$415. In addition, UNLV provided grants to UNLV Health in the amount of \$501 for the year ended June 30, 2025. The total amounts due from UNLV in relation with these services and grants as of June 30, 2025, was \$267.

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 24 - System Related Organizations (continued):

Nevada Health and Bioscience Asset Corporation:

Organization

Nevada Health and Bioscience Asset Corporation (the organization) is a nonprofit organization formed for the sole purpose of funding, developing, and constructing a medical education building and associated medical school facilities and amenities to house the University of Nevada, Las Vegas ("UNLV") School of Medicine.

These financial statements have been prepared on a calendar year basis and in conformity with generally accepted accounting principles (GAAP) in the United States of America as defined by the Financial Accounting Standards Board (FASB), the independent and ultimately authoritative accounting and financial reporting standard-setting body for nonprofit organizations.

Grant Expense and Grants Payable

Unconditional grants are recorded as expense in the period the grant is approved. Conditional grants, with a barrier and a right of return, are recorded as expense during the year in which the conditions are substantially met or waived by the Organization. Grants payable within one year are recorded at their fair value at the date of authorization. Grants payable in more than one year are recorded at the present value of their future cash outflows using U.S. Treasury rates for the period of the respective multi-year grant.

The Organization provides facility space to UNLV on a below-market rent basis. The fair value of using the facility is recorded as grants expense and grants payable when the commitment to provide space is unconditionally made. As the facilities are occupied, in-kind rental revenue is recognized and included in other income in the statements of activities.

Investments and Fair Value Measurements

The fair value measurements standard establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under the standard are described below:

Level 1 – Quoted prices are available in active markets for identical investments as of the reporting date. This category includes U.S. fixed income securities.

Level 2 – Quoted prices are available in non-active markets or in active markets for similar assets or liabilities, or inputs that are observable, either directly or indirectly, as of the reporting date for substantially the full term through corroboration with observable market data.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Organization held no investments as of December 31, 2024.

Property and Equipment

Property and equipment consisted of the following at December 31:

	<u>2024</u>
Land and improvements	\$ 13,893
Building	111,413
Equipment	4,063
Furniture and Fixtures	3,550
Construction in progress	<u>2,735</u>
Total	135,654
Less accumulated depreciation	<u>(6,817)</u>
	<u>\$ 128,837</u>

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 24 - System Related Organizations (continued):

As of December 31, 2024, construction in progress includes a laboratory facility. In 2024, the Organization ceased development of the clinical and mental health facility due to the loss of donor funding and strategic considerations, resulting in a write-off of approximately \$2,056. No additional projects were placed into service during 2024. The total estimated expenses to complete the construction in progress are \$41,200, with completion expected by December 31, 2026.

Development and Lease Agreements

On March 18, 2020, the Organization entered into a Development Agreement and a Lease Agreement with UNLV (collectively, "Agreements"). Based on the Agreements, UNLV transferred to the Organization the deed to a parcel of land for the purpose of constructing the Medical Education Building (MEB).

UNLV is considered a financially interrelated entity to the Organization. UNLV is the specified beneficiary of the land transfer, by means of the Development agreement and expects payment of the transferred assets in the future. Accordingly, the land that UNLV transferred to the Organization for purposes of constructing the MEB has been recorded at its estimated fair value on the date of transfer of \$13,890 within liabilities on the statements of financial position as an "Asset held for others".

In November 2024, the Organization executed an amendment to its Agreements with UNLV to allow for the subdivision of the parcel of land on which NHBAC is constructing a Lab. Upon completion of the subdivision process, the reversionary right and obligation for NHBAC to convey the property to UNLV, which was previously applicable to the entire parcel, will no longer apply to the portion designated for the Lab. The subdivision will occur in connection with the commercial subdivision map, which had not been finalized as of the date these financial statements were available to be issued.

Construction of the MEB was considered completed in May 2023 upon receipt of an unconditional certificate of occupancy from Clark County, Nevada. Upon receipt of the unconditional certificate of occupancy, the Organization shall lease to UNLV the MEB and all associated grounds, furniture, and equipment. UNLV shall pay to the Organization a fixed rent at the rate of one dollar per year. The lease term commenced in May 2023 and extends until January 2030. Upon expiration of the lease term, conditional upon UNLV adhering to the terms and conditions in the Lease Agreement, all right, title, and interest in and to the MEB shall be conveyed to UNLV. The terms and conditions include specifications related to maintenance of the premises by UNLV, among other things, and are considered to be more than administrative in nature.

The Organization will not recognize the obligation to transfer title of the MEB to UNLV until January 2030, assuming that UNLV meets the conditions stated in the agreement. The promise to lease the MEB to UNLV was considered a conditional promise to give as of December 31, 2022, as it was conditional upon receipt of a certificate of occupancy. The conditions were met and the lease commenced in May 2023, and accordingly, on this date, the Organization recognized \$46,808 of grants payable and grant expense. The Organization recognized the fair value of below-market rent provided to UNLV during the years ended December 31, 2024 as in-kind rental income and reduction of grant payable in the amount \$4,295. During the year ended December 31, 2024, amortization of the net present value discount of \$3,564 was recognized as additional in-kind grant expense with a corresponding equal amount of in-kind rental income in the statement of activities. The Organization has a remaining amount of as of December 31, 2024, in the amount of \$37,720 for the present value of future remaining unconditional free rent periods promised to UNLV.

The Organization has calculated the present value of the below-market rent using a discount rate of 8.5% which was the United States Federal Prime Rate as of the commencement date of the lease. In-kind rental revenue will be recognized in subsequent fiscal years as follows:

<u>Years Ended December 31,</u>	<u>Payments</u>
2025	\$ 8,163
2026	8,452
2027	8,726
2028	8,986
2029	<u>9,229</u>
Totals	43,556
Less: discounts	<u>(5,836)</u>
Grant Payable	<u>\$ 37,720</u>

Unaudited

REQUIRED SUPPLEMENTARY INFORMATION

Unaudited

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
System's proportion of the net pension liability	3.03%	2.79%	2.78%	2.99%	3.00%	3.00%	2.92%	2.88%	2.89%	2.83%	2.81%
System's proportionate share of the net pension liability	\$ 548,108	\$ 508,975	\$ 501,370	\$ 272,974	\$ 424,238	\$ 414,036	\$ 398,883	\$ 383,226	\$ 389,352	\$ 324,708	\$ 292,841
System's covered payroll	\$ 249,540	\$ 209,321	\$ 198,288	\$ 205,049	\$ 200,838	\$ 196,183	\$ 187,737	\$ 179,694	\$ 171,007	\$ 165,653	\$ 162,250
System's proportionate share of the net pension liability as a percentage of its covered-payroll	219.65%	243.16%	252.85%	133.13%	211.23%	211.05%	212.47%	213.27%	227.68%	196.02%	180.49%
PERS fiduciary net position as a percentage of the total net pension liability	78.11%	76.20%	75.12%	86.51%	77.04%	76.46%	75.24%	74.42%	72.23%	75.13%	75.13%

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

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractual required contribution	\$ 49,240	\$ 43,603	\$ 32,454	\$ 30,715	\$ 31,286	\$ 30,564	\$ 28,549	\$ 27,030	\$ 34,456	\$ 33,124	\$ 29,901
Contributions in relation to contractually required contribution	(49,240)	(43,603)	(32,454)	(30,715)	(31,286)	(30,564)	(28,549)	(27,030)	(43,152)	(35,756)	(29,901)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,696)	\$ (2,632)	\$ -
System's covered payroll	\$ 282,313	\$ 249,540	\$ 209,321	\$ 198,288	\$ 205,049	\$ 200,838	\$ 196,183	\$ 187,737	\$ 179,694	\$ 171,007	\$ 165,653
Contributions as a percentage of covered payroll	17.35%	17.47%	15.50%	15.49%	15.26%	15.22%	14.55%	14.40%	19.17%	19.37%	18.05%

**NEVADA SYSTEM OF HIGHER EDUCATION
NOTES TO THE REQUIRED SCHEDULES FOR THE NET PENSION LIABILITY
State of Nevada Public Employees Retirement System**

Valuation date	June 30, 2024
Measurement Date	June 30, 2024
Methods used to determine contribution rates:	
Inflation Rate	2.50%
Productivity pay increase	0.50%
Projected salary increases	4.20% to 9.10%, depending on service
Investment Rate of Return	Rates include inflation and productivity increases
Discount Rate	7.25%
Other assumptions	7.25% as of June 30, 2024
	Same as those used in the June 30, 2024, funding actuarial valuation

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
System's proportion of the net OPEB liability	41.53%	41.04%	40.56%	40.10%	40.35%	40.85%	39.13%	(Historical information prior to the implementation of GASB 74/75 is not required)			
System's proportionate share of the net OPEB liability	564,055	598,287	584,918	621,544	606,769	569,268	518,254				
System's covered-employee payroll	903,929	770,032	740,121	744,695	757,182	711,803	667,622				
System's proportion share of the net OPEB liability as a percentage of its covered-employee payroll	62.40%	77.70%	79.03%	83.46%	80.14%	79.98%	77.63%				
State of Nevada Retirees' Health and Welfare Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractual required contributions	\$ 31,942	\$ 28,113	\$ 16,710	\$ 16,061	\$ 17,426	\$ 17,794	\$ 16,727	\$ 15,689	(Historical information prior to the implementation of GASB 74/75 is not required)		
Contributions in relation to the contractual required contribution	(31,942)	(28,113)	(16,785)	(16,058)	(15,857)	(17,716)	(16,656)	(15,702)			
Contribution deficiency(excess)	\$ -	\$ -	\$ (75)	\$ 3	\$ 1,569	\$ 78	\$ 71	\$ (13)			
System's covered-employee payroll	\$ 1,004,458	\$ 903,929	\$ 770,032	\$ 740,121	\$ 744,695	\$ 757,182	\$ 711,803	\$ 667,622			
Contributions as a percentage of covered-employee payroll	3.18%	3.11%	2.17%	2.17%	2.34%	2.35%	2.35%	2.35%			

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

Valuation date	June 30, 2024
Measurement Date	June 30, 2024
Methods used to determine contribution rates:	
Actuarial Cost Method	Entry Age Normal Level % of Pay
Asset Valuation Method	Market Value
Discount Rate	3.93% bond index as of June 30, 2023
Inflation Rate	2.50%
Investment Return Assumptions	2.50% same as Inflation Rate assumption

The accompanying notes to the RSI are an integral part of these schedules.

Unaudited

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SUPPLEMENTARY INFORMATION

NEVADA SYSTEM OF HIGHER EDUCATION
COMBINING STATEMENTS OF NET POSITION (in \$1,000's)
AS OF JUNE 30, 2025

	CSN	DRI	GBC	NSU	SA	TMCC	UNLV	UNR	WNC	Eliminations	TOTAL
ASSETS											
Current Assets											
Cash and cash equivalents	\$ 4,219	\$ 8,472	\$ 657	\$ 2,038	\$ 87,886	\$ 7,296	\$ 9,084	\$ 35,152	\$ 2,320	\$ -	\$ 157,124
Short-term investments	71,106	47,744	7,449	21,575	9,379	39,942	296,970	168,278	8,685	-	671,128
Accounts receivable, net	6,693	1,774	2,399	1,514	24	2,683	24,709	24,127	1,057	-	64,980
Federal Grants and Contracts Receivable	4,214	6,327	1,730	1,634	1,362	2,260	50,831	50,940	609	-	119,907
State and Local Grants Receivable	2,508	2,033	647	429	1,670	1,046	23,312	6,416	1,450	-	39,511
Receivable from other institutions	-	-	-	12	1,208	-	-	-	-	(1,220)	-
Loans receivable, net	-	-	-	-	-	-	96	508	-	-	604
Due from System Related Organizations	-	-	-	-	-	107	6,517	1,916	-	196	8,736
Leases receivable	-	-	-	-	-	294	4,637	1,321	-	-	6,252
Leases receivable Due from System Related Organizations	-	-	-	-	-	-	3,178	-	-	-	3,178
Inventories	884	-	-	-	-	38	1,638	4,269	-	-	6,829
Deposits and prepaid expenditures, current	1,296	245	6	6	1,478	40	7,625	12,442	-	-	23,138
Other current assets	-	-	-	-	-	105	-	-	-	(85)	20
Total Current Assets	90,920	66,595	12,888	27,208	103,007	53,811	428,597	305,369	14,121	(1,109)	1,101,407
Noncurrent Assets											
Cash held by State Treasurer	-	-	-	-	-	1,174	-	-	-	-	1,174
Restricted cash and cash equivalents	6,354	-	-	3,754	-	-	91,526	-	-	-	101,634
Endowment investments	8,430	50,063	1,011	-	13,005	17,244	74,268	183,762	371	-	348,154
Deposits and prepaid expenditures	-	-	-	-	2,696	-	550	287	-	-	3,533
Loans receivable, net of current	-	-	-	-	-	-	1,987	2,163	-	-	4,150
Leases receivable, net of current	-	-	-	-	-	629	22,880	5,846	-	-	29,355
Leases receivable due from System Related Organizations, net of current	-	-	-	-	-	-	16,568	-	-	-	16,568
Capital assets, net	265,671	44,337	47,024	108,007	52,365	74,378	1,082,918	1,073,944	20,661	-	2,769,305
Total Noncurrent Assets	280,455	94,400	48,035	111,761	68,066	93,425	1,290,697	1,266,002	21,032	-	3,273,873
TOTAL ASSETS	371,375	160,995	60,923	138,969	171,073	147,236	1,719,294	1,571,371	35,153	(1,109)	4,375,280
DEFERRED OUTFLOWS OF RESOURCES											
OPEB related	5,066	1,672	729	1,476	929	1,903	21,210	16,498	642	-	50,125
Loss on bond refunding	-	-	-	-	-	-	-	2,365	-	-	2,365
Pension related	31,305	7,153	4,772	5,658	7,049	10,713	81,789	81,685	5,561	-	235,685
TOTAL DEFERRED OUTFLOWS OF RESOURCES	36,371	8,825	5,501	7,134	7,978	12,616	102,999	100,548	6,203	-	288,175
LIABILITIES											
Current Liabilities											
Accounts payable	5,030	1,107	1,569	974	2,362	2,199	17,624	21,637	222	-	52,724
Accrued payroll and related liabilities	11,885	3,215	1,444	3,521	17,220	4,157	48,613	36,296	1,438	-	127,789
Unemployment insurance and workers' compensation	457	28	28	43	14	144	1,476	1,118	94	-	3,402
Due to State of Nevada	-	-	-	-	-	-	2,018	-	-	-	2,018
Due to other institutions	3,232	841	413	1,054	(29,402)	1,226	13,612	9,861	372	(1,209)	-
Due to System Related Organizations	-	1	(4)	-	-	39	715	563	-	100	1,414
Current portion of compensated absences	505	1,394	175	446	481	450	6,022	6,328	165	-	15,966
Current portion of long-term debt	1,807	-	-	1,366	-	313	11,431	15,744	-	-	30,661
Current portion of leases payable	498	-	19	-	634	55	5,183	2,586	-	-	8,975
Current portion of subscriptions payable	2,380	28	42	470	4,922	240	5,180	4,151	79	-	17,492
Current portion of OPEB	3,792	1,251	546	1,105	695	1,425	15,878	12,350	481	-	37,523
Accrued interest payable	1,143	1	6	189	233	217	4,034	6,040	3	-	11,866
Unearned revenue	4,171	254	29	2,398	52	1,342	36,707	40,442	4	-	85,399
Deposits held for others	246	-	92	16	-	101	1,893	841	219	-	3,408
Other current liabilities	53	-	-	-	-	-	2,164	381	-	-	2,598
Total Current Liabilities	35,199	8,120	4,359	11,582	(2,789)	11,908	172,550	158,338	3,077	(1,109)	401,235
Noncurrent Liabilities											
Refundable advances under federal loan programs	-	-	-	-	-	-	2,012	706	-	-	2,718
Compensated absences, net of current	6,602	4,248	718	2,775	2,055	2,702	32,300	21,356	894	-	73,650
Long-term debt, net of current	61,789	-	-	35,198	-	11,030	236,487	308,018	-	-	652,522
Lease payable, net of current	1,065	-	-	-	633	30	30,818	4,698	-	-	37,244
Subscriptions payable, net of current	2,155	14	125	583	37,161	146	10,049	5,094	172	-	55,499
Net pension liability	72,946	16,931	11,508	11,277	14,878	25,553	185,010	196,798	13,207	-	548,108
OPEB Liability, net of current	53,215	17,562	7,661	15,506	9,755	19,995	222,795	173,300	6,743	-	526,532
Total Noncurrent Liabilities	197,772	38,755	20,012	65,339	64,482	59,456	719,471	709,970	21,016	-	1,896,273
TOTAL LIABILITIES	232,971	46,875	24,371	76,921	61,693	71,364	892,021	868,308	24,093	(1,109)	2,297,508
DEFERRED INFLOWS OF RESOURCES											
Deferred inflows on leases	-	-	-	-	-	908	45,236	6,838	-	-	52,982
OPEB related	6,276	2,071	903	1,829	1,150	2,358	26,275	20,438	795	-	62,095
Gain on bond refunding	-	-	-	-	-	-	2,649	6,233	-	-	8,882
Pension related	9,559	2,692	1,678	657	2,941	4,103	22,664	27,422	1,952	-	73,668
TOTAL DEFERRED INFLOWS OF RESOURCES	15,835	4,763	2,581	2,486	4,091	7,369	96,824	60,931	2,747	-	197,627
NET POSITION											
Net investment in capital assets	195,978	44,294	46,832	70,390	9,015	62,564	841,988	723,608	20,661	-	2,015,330
Restricted - Nonexpendable	2,307	26,950	504	-	7,192	7,404	12,221	41,815	388	-	98,781
Restricted - Expendable - Scholarships, research and instruction	9,977	38,186	1,106	5,406	6,026	10,791	76,273	140,837	2,055	-	290,657
Restricted - Expendable - Loans	-	-	-	-	28	52	493	8,088	2	-	8,663
Restricted - Expendable - Capital projects	6,354	1,788	924	-	984	152	33,318	22,432	2,996	-	68,948
Restricted - Expendable - Debt service	1,660	-	-	3,754	-	-	10,103	13,316	-	-	28,833
Unrestricted	(57,336)	6,964	(9,894)	(12,854)	90,022	156	(140,948)	(207,416)	(11,586)	-	(342,892)
TOTAL NET POSITION	\$ 158,940	\$ 118,182	\$ 39,472	\$ 66,696	\$ 113,267	\$ 81,119	\$ 833,448	\$ 742,680	\$ 14,516	\$ -	\$ 2,168,320

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

NEVADA SYSTEM OF HIGHER EDUCATION
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (in \$1,000's)
FOR THE YEAR ENDED JUNE 30, 2025

	CSN	DRI	GBC	NSU	SA	TMCC	UNLV	UNR	WNC	Eliminations	TOTAL
Operating Revenues											
Student tuition and fees (net of scholarship allowance of \$261,509)	\$ 53,326	\$ -	\$ 7,008	\$15,070	\$ -	\$ 19,925	\$ 247,547	\$160,126	\$ 6,027	\$ 1,090	\$ 510,119
Federal grants and contracts	13,410	47,579	4,147	8,640	1,935	6,504	100,655	176,168	2,994	(6,673)	355,359
State grants and contracts	8,395	5,038	3,135	4,012	-	5,790	36,440	23,993	1,247	(837)	87,213
Local grants and contracts	-	57	11	16	61	-	621	1,095	-	-	1,861
Other grants and contracts	159	6,304	603	122	215	446	4,229	35,157	144	(232)	47,147
Sales and services of educational departments scholarship allowance of \$43,426)	2,101	346	470	303	2,674	1,838	115,979	105,795	443	(4,425)	225,524
Sales and services of auxiliary enterprises (net of scholarship allowance of \$18,541)	1,335	-	782	74	-	2,186	51,508	45,291	1,134	(92)	102,218
Interest earned on loans receivable	-	-	-	-	-	-	30	51	-	-	81
Other operating revenues	628	895	195	321	1,172	382	7,752	5,575	358	(6,786)	10,492
Total Operating Revenues	79,354	60,219	16,351	28,558	6,057	37,071	564,761	553,251	12,347	(17,955)	1,340,014
Operating Expenses											
Employee compensation and benefits	(169,473)	(48,423)	(25,219)	(53,634)	(25,682)	(68,792)	(729,092)	(557,423)	(25,288)	25	(1,703,001)
Utilities	(4,190)	(918)	(854)	(628)	(26)	(1,049)	(14,538)	(12,772)	(635)	-	(35,610)
Supplies and services	(44,884)	(15,818)	(8,063)	(13,730)	(8,566)	(15,362)	(203,338)	(211,847)	(7,149)	17,247	(511,510)
Scholarships and fellowships	(35,871)	(17)	(4,606)	(8,981)	(374)	(10,254)	(34,662)	(29,478)	(3,756)	1,090	(126,909)
Depreciation and amortization	(21,224)	(4,436)	(3,152)	(7,720)	(8,308)	(5,201)	(66,521)	(57,431)	(1,626)	-	(175,619)
Total Operating Expenses	(275,642)	(69,612)	(41,894)	(84,693)	(42,956)	(100,658)	(1,048,151)	(868,951)	(38,454)	18,362	(2,552,649)
Operating Income (Loss)	(196,288)	(9,393)	(25,543)	(56,135)	(36,899)	(63,587)	(483,390)	(315,700)	(26,107)	407	(1,212,635)
Nonoperating Revenues (Expenses)											
State appropriations	126,176	10,834	18,588	41,453	34,580	44,403	353,046	254,690	19,969	-	903,739
Gifts (including \$79,608 from System Related Organizations)	1,043	1,027	1,113	674	-	1,681	37,994	34,779	1,163	147	79,621
Investment income (loss), net	10,017	11,654	1,203	2,742	1,962	6,932	43,773	42,304	1,452	(360)	121,679
Gain (loss) on disposal of capital assets	41	(47)	(35)	-	13	17	(11,825)	(486)	(1,817)	-	(14,139)
Interest expense	(2,322)	(2)	(6)	(1,726)	(1,216)	(412)	(7,410)	(10,978)	(6)	-	(24,078)
Interest revenue	-	-	-	-	-	19	1,198	150	-	-	1,367
Payments to System campuses and divisions	(769)	(942)	(157)	(239)	9,109	(507)	(4,768)	(1,572)	(8)	(147)	-
Other nonoperating revenues	-	-	136	(1)	66	-	6,173	1,223	12	(47)	7,562
Federal grants and contracts	49,751	-	3,973	12,030	2,046	10,609	76,433	31,214	3,882	-	189,938
Total Nonoperating Revenues	183,937	22,524	24,815	54,933	46,560	62,742	494,614	351,324	24,647	(407)	1,265,689
Loss Before Other Revenue (Expenses)	(12,351)	13,131	(728)	(1,202)	9,661	(845)	11,224	35,624	(1,460)	-	53,054
Other Revenues (Expenses)											
State appropriations restricted for capital purposes	8,800	1,225	1,000	310	500	1,789	12,903	11,617	1,000	-	39,144
Capital grants and gifts (including \$39,217 from System Related Organizations)	15	-	-	-	-	37	24,591	18,257	111	-	43,011
Additions (Deductions) to permanent endowments (including \$590 to System Related Organizations)	35	1,136	-	-	9	558	6	110	-	-	1,854
Total Other Revenues	8,850	2,361	1,000	310	509	2,384	37,500	29,984	1,111	-	84,009
Increase (Decrease) in Net Position	(3,501)	15,492	272	(892)	10,170	1,539	48,724	65,608	(349)	-	137,063
NET POSITION											
Net position - beginning of year	162,441	102,690	39,200	67,588	103,097	79,580	784,724	677,072	14,865	-	2,031,257
Net position - end of year	\$158,940	\$118,182	\$39,472	\$66,696	\$113,267	\$81,119	\$833,448	\$742,680	\$14,516	\$-	\$2,168,320

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

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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*

To the Board of Regents
Nevada System of Higher Education
Reno, Nevada

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities and the aggregate discretely presented component units of the Nevada System of Higher Education (the “System”), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the System’s basic financial statements and have issued our report thereon dated October 30, 2025. Our report includes a reference to other auditors who audited the financial statements of the following, as described in our report on the System’s financial statements:

- College of Southern Nevada Foundation, a discretely presented component unit
- Desert Research Institute Foundation, a discretely presented component unit
- Desert Research Institute Research Parks LTD, a discretely presented component unit
- Great Basin College Foundation, a discretely presented component unit
- Nevada Health and Bioscience Asset Corporation, a discretely presented component unit
- Nevada State University Foundation, a discretely presented component unit
- Rebel Golf Foundation, a discretely presented component unit
- Truckee Meadows Community College Foundation, a discretely presented component unit
- University of Nevada, Las Vegas Rebel Football Foundation, a discretely presented component unit
- University of Nevada, Las Vegas Rebel Soccer Foundation, a discretely presented component unit
- University of Nevada, Las Vegas Foundation, a discretely presented component unit
- University of Nevada, Las Vegas Research Foundation, a discretely presented component unit
- Western Nevada College Foundation, a discretely presented component unit

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 Great Basin College Foundation, Nevada State University Foundation, University of Nevada, Las Vegas Rebel Football Foundation, Rebel Golf Foundation and Nevada Health and Bioscience Asset Corporation were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2025-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

The System's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the System's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Responses. The System's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System'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 System's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Reno, Nevada
October 30, 2025

**2025-001: Internal Control over Financial Reporting
Significant Deficiency in Internal Control**

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial statement reporting. One of the components of an effective system of internal control over financial reporting is preparation of appropriate account reconciliations and eliminating entries.

Condition: Nevada State University (NSU) did not properly record the elimination entry for student loan revenue and expense. In addition, NSU did not properly record financial aid and scholarships expense. Lastly, NSU recorded an adjustment in the current year to transfer assets from construction in progress to in service. However, those assets had actually been placed in service from 2019 – 2024 and were not previously recognized as such.

Cause: NSU did not have adequate internal controls to ensure appropriate reconciliation entries were recorded during the financial statement close process.

Effect: Adjustments were made as follows:

- NSU overstated student loans revenue and expense by \$8.8 million.
- NSU understated financial aid and scholarships revenue and expense by \$2.0 million.
- NSU recorded an adjustment of \$1.7 million for depreciation that should have been recorded in prior periods had the assets been placed in service at the appropriate time.

Recommendation: We recommend NSU enhance internal controls to ensure appropriate reconciliation entries are recorded during the financial statement close process.

Views of Responsible Officials: Nevada State University agrees with this finding.

Nevada System of Higher Education

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RESPONSES TO FINDINGS

Year Ended June 30, 2025

FINANCIAL STATEMENT FINDINGS AND RESPONSES

FINDING 2025-001 – Internal Control over Financial Reporting

Responses

NSU – Agrees with the finding.

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

Although the net position was not affected by the student loans and scholarship revenue and expense, Nevada State University (NSU) has established procedures to provide additional monitoring and review of financial statement related entries. In addition, we have established procedures to monitor more frequently construction in progress and other acquired assets and related depreciation throughout the year to ensure timeliness of capital asset related transactions and processes. These additional processes will be in place as of November 1, 2025.

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

NSU will review construction in progress and other asset acquisitions on a more frequent basis, such as quarterly, throughout the fiscal year. This will ensure that assets are placed in service at the appropriate time. During the year-end and financial statement preparation process, the checklist for year-end journal entries and tasks will be more carefully monitored including periodic status reviews by the Associate Vice President of Fiscal Services.

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

The NSU Controller and Assistant Controller are responsible for the ongoing review and reconciliation processes related to fixed assets and the preparation of financial statements. The Associate Vice President of Fiscal Services will conduct the final review of the year-end checklists, including journal entries, to ensure they been fully completed. The Associate Vice President of Fiscal Services will also complete the final review of the annual financial statements to ensure they are accurate.

APPENDIX B

STATE FINANCIAL, ECONOMIC AND DEMOGRAPHIC INFORMATION

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

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

General

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

Certain Financial Information - State General Fund

Annual Reports. The State Controller prepares comprehensive annual financial reports setting forth the financial condition of the State as of June 30 of each fiscal year. The comprehensive annual financial report is the official financial report of the State and is prepared following GAAP. The most recent State comprehensive annual financial report is as of June 30, 2025. Copies of the State’s comprehensive annual financial reports (including the State’s audited basic financial statements) are available at the State Controller’s website at www.controller.nv.gov.

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

On or before July 1 of each even-numbered year, the Governor must impanel an economic forum (the “Economic Forum”) comprising three members appointed by the Governor, one member nominated by the majority leader of the Senate, and one member nominated by the

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

Estimates and projections described herein speak only as of their date and must not be construed as statements of fact. The assumptions may be affected by numerous factors, including future economic conditions in the State and the nation, and there can be no assurance that the estimates will be achieved. Periodic reports on certain revenues during the fiscal year are issued by the State Department of Taxation and the Gaming Control Board. Note that the proceeds of the state-wide property tax levied for general obligation bonds are deposited into a separate fund within the State Treasury (the Consolidated Bond Interest and Redemption Fund) and not the General Fund.

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

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

The budget prepared by the Governor must provide for a reserve of not less than 5% of all proposed General Fund operating appropriations and authorizations. The State Controller is also required to deposit a portion of the unrestricted balance of the State General Fund to a reserve for the stabilization of the operation of the State.

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

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

The 2009 Legislature passed legislation requiring the State Controller to transfer 1% of the total anticipated revenue projected for that fiscal year by the Economic Forum in May of odd-numbered years, as adjusted by any legislation enacted by the State Legislature that affects State revenue for that fiscal year, to the Stabilization Account at the beginning of each fiscal year.

The maximum balance allowed in the Stabilization Account is 26% of the total of all appropriations from the State General Fund for the operation of all departments, institutions and agencies of the State Government and for the funding of schools and authorized expenditures from the State General Fund for the regulation of gaming for the fiscal year in which that revenue will be transferred to the Stabilization Account. As of June 30, 2025, the balance of the Stabilization Account was \$1,295 million.

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

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

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

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

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

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

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

Modified Business Tax. The State levies a tax, known as the modified business tax (the “MBT”), against applicable payrolls, less a deduction for employee healthcare expenses, for the privilege of conducting business in Nevada. The rate varies depending on how a business is classified. If the combined revenues from the taxes imposed by the MBT and the commerce tax exceeds the anticipated revenues for those taxes projected by the Economic Forum by more than 4%, as adjusted by any legislation enacted by the Legislature that affects state revenue for that fiscal year, the Department of Taxation is required to determine the MBT rate for both financial and mining and nonfinancial entities which would have generated a combined revenue of 4% more than the amount anticipated.

The MBT rates for financial and mining and non-financial entities are adjusted annually based on actual collections compared to Economic Forum projections. If combined MDT revenues exceed projections by more than 4%, the Department of Taxation performs a statutory “buy-down” calculation. The MBT rate for non-financial businesses may not be reduced below the statutory minimum of 1.17%, and the financial and mining rate may not be reduced below its corresponding minimum.

In fiscal year 2022, combined collections came in above 4% of forecast, triggering the MBT rate “buy-down” effective July 1, 2023. The Department of Taxation reduced the non-financial MBT rate to 1.17% (from 1.38%) on wages exceeding \$50,000 per calendar quarter, and reduced the financial and mining rate to 1.554 (from 1.853%). These rates represent the minimum permitted under current law; therefore, no further reductions may occur under the buy-down provisions.

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

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

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

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

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

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

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

Net Proceeds of Minerals Taxes. The State imposes a mineral tax based on net proceeds at rates ranging from a minimum of 2% to a maximum of 5%. Local governments, school districts and the Consolidated Bond Interest and Redemption Fund receive revenue equal to the amount derived from the application of the respective property tax rate where the mine is located. Revenue above those amounts accrued to the State General Fund. Beginning in fiscal year 2024, pursuant to legislation enacted in 2021 and subsequent implementation legislation, the portion of the Net Proceeds of Minerals Tax revenues that had been deposited in the State Education Fund as a dedicated funding source for K-12 education under Pupil-Centered Funding Plan.

The 2023 Legislature clarified that Net Proceeds of Mineral Taxes to be calculated based on actual calendar year mining activity and deposited in the State Education Fund. As a result, no Net Proceeds of Mineral Tax revenues is currently forecasted for deposit to the State General fund under existing law.

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

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

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

Effective January 1, 2024, the 2023 Legislature revised the excise tax on the wholesale sale of cannabis to apply the tax only to the first wholesale sale in Nevada of cannabis by a medical cannabis cultivation facility to another cannabis establishment and to provide that the tax is at the rate of 15% of: (1) the fair market value at wholesale for sales made to an affiliate of the medical cannabis cultivation facility or adult-use cannabis cultivation facility; or (2) the sales price, if the sale is made to a cannabis establishment that is not an affiliate of the medical cannabis cultivation facility or adult-use cannabis cultivation facility.

Furthermore, the regulation that determines the fair market value of cannabis was revised. The fair market value of cannabis will be calculated and published by the Department of Taxation quarterly, not more than 30 days after the end of each calendar quarter and is the median sales price for wholesale sales between cannabis cultivation facilities and cannabis establishments that are not affiliates, per pound each.

Recent and Current State Budgets

Certain information regarding actual State general fund revenues (and projected revenues) is set forth below. This table shows actual revenues for fiscal years 2020 through 2025, and the revenue forecast for fiscal year 2026 and 2027 based on the Economic Forum Forecast. These estimates and projections are based on various assumptions and must not be construed as statements of fact. The assumptions may be affected by numerous factors, including future economic conditions in the State and the nation, and there can be no assurance that the estimates will be achieved. Periodic reports on certain revenues during the fiscal year are issued by the Department of Taxation and the Gaming Control Board.

State General Fund Revenues
(in thousands)

Fiscal Year Ended June 30	Actual					Economic Forum Forecast⁽¹⁾	
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
General Fund Revenue Sources							
Sales Tax	\$1,380,573	\$1,679,872	\$1,791,687	\$1,863,105	\$1,847,864	\$1,889,351	\$1,952,436
Gaming Taxes	713,927	1,005,931	995,718	999,947	991,143	980,813	992,863
Modified Business Tax	641,455	815,466	919,644	858,638	862,906	904,604	935,972
Insurance Taxes	492,970	542,756	583,116	646,678	713,935	723,150	758,476
Live Entertainment Tax	11,080	139,156	201,289	256,279	223,110	219,313	221,975
Mining Taxes and Fees	177,619	108,189	69,273	0	119,557	108,251	103,070
Cigarette Tax	152,702	144,069	135,275	122,974	123,785	130,157	134,885
Real Property Transfer Tax	133,908	177,691	110,612	108,965	43,276	44,554	45,445
Liquor Tax	43,549	50,393	46,008	49,049	123,629	125,537	128,135
Business License Fees	113,217	119,544	118,270	122,663	0	0	0
Commerce Tax	221,958	281,882	302,294	343,074	268,130	356,501	383,250
Transportation Connection Carrier Tax	17,141	28,464	39,978	40,158	45,435	43,482	50,128
Other Taxes	--	86,200	69,445	87,886	160,677	66,639	86,795
OTHER REVENUE⁽³⁾	<u>287,875</u>	<u>361,596</u>	<u>490,904</u>	<u>609,121</u>	<u>601,784</u>	<u>591,201</u>	<u>573,022</u>
TOTAL⁽⁴⁾	<u>\$4,529,323</u>	<u>\$5,524,471</u>	<u>\$5,873,963</u>	<u>\$6,108,536</u>	<u>\$6,125,231</u>	<u>\$6,183,553</u>	<u>\$6,366,452</u>

(1) December 2, 2025, Economic Forum Forecast, Legislative Adjusted.

(2) Includes liquor tax, business license tax and other taxes.

(3) Includes licenses, fees and fines and interest earnings.

(4) Numbers may not total due to rounding.

Source: State Department of Administration.

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

State General Fund Appropriations
(in thousands)

Fiscal Year Ended June 30	Actual Appropriations			Legislatively Approved Appropriations ⁽¹⁾	
	2023	2024 ⁽¹⁾	2025	2026	2027
Constitutional Agencies	\$165,375	\$432,056	\$541,225	\$265,695	\$278,612
Finance & Administration	44,545	45,149	44,690	57,083	58,235
Education	2,192,555	2,303,385	2,597,420	2,864,640	2,876,469
Human Services	1,862,125	1,977,694	2,067,092	2,168,231	2,274,949
Commerce & Industry	54,445	64,534	60,989	77,214	76,691
Public Safety	389,474	393,739	406,094	559,877	572,242
Infrastructure	41,650	48,546	49,383	68,092	69,319
Special Purpose Agencies	18,603	28,603	29,585	31,958	32,167
TOTAL⁽³⁾	\$4,768,772	\$5,293,805	\$5,796,478	\$6,092,789	\$6,238,685

- (1) Legislature-approved appropriations, including supplemental appropriations approved by the Legislature. Subject to revision.
(2) Totals may not add due to rounding.
(3) Actual appropriations by category for Fiscal Year 2025 are not currently available; however, total actual appropriations for Fiscal Year 2025 were \$6,077,279,146.

Source: Nevada Legislative Appropriations Report, November 2021, November 2023, November 2025 and Governor's Finance Office.

The following table sets forth the State General Fund Unappropriated Balances for fiscal years 2019-2023.

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

Fiscal Year Ending June 30	2021	2022	2023	2024 ⁽⁴⁾	2025 ⁽⁴⁾
General Fund Resources:					
Unappropriated General Fund Balance - July 1	\$ 574,454	\$1,040,768	\$1,841,811	\$807,505	\$1,497,430
Unrestricted General Fund Reversions	315,312	141,070	546,714	142,170	551,657
Unrestricted General Fund Revenue					
General Fund Revenue	4,529,323	5,524,471	5,873,963	\$6,102,097	\$6,124,731 ⁽³⁾
Transfer from Fund to Stabilize the Operation of State Government	0	97,545	0	0	0
Transfers and Reversions from Various Accounts	344,949	0	0	0	124,519
Tax Credit Programs	<u>(54,998)</u>	<u>(85,136)</u>	<u>(111,482)</u>	<u>(92,311)</u>	<u>(112,612)</u>
Total Unrestricted General Fund Revenue⁽²⁾	<u>\$4,819,274</u>	<u>\$5,536,880</u>	<u>\$5,762,481</u>	<u>\$6,009,786</u>	<u>\$8,185,725</u>
Restricted General Fund Revenue					
Unclaimed Property - Millennium Scholarship	7,600	7,600	7,600	\$7,600	\$7,600
Unclaimed Property – Grant Matching Program	0	1,000	1,000	1,000	1,000
Unclaimed Property – Student Loan Repayment Account	0	0	0	2,500	2,500
Unclaimed Property – NV Health Services Corps	0	0	0	250	250
Live Entertainment Tax – Nevada Arts Council	<u>150</u>	<u>150</u>	<u>150</u>	<u>150</u>	<u>150</u>
Total Restricted General Fund Revenue	<u>7,750</u>	<u>8,750</u>	<u>8,750</u>	<u>\$11,500</u>	<u>\$11,500</u>
General Fund Resources	<u>\$5,716,789</u>	<u>\$6,727,469</u>	<u>\$8,159,755</u>	<u>\$6,970,961</u>	<u>\$8,197,225</u>
Appropriations / Transfers					
Unrestricted Appropriations / Transfers					
Operating Appropriations	(\$3,988,955)	(\$4,633,160)	(\$4,652,261)	(\$5,175,339)	(\$5,796,478)
Supplemental Operating Appropriations	(272,252)	0	(18,506)	0	(86,010)
Operating Appropriations Transfers Between fiscal year 20 & 21 ⁽²⁾	0	0	0	0	0
Operating Appropriations Transfers Between fiscal year 22 & 23 ⁽²⁾	59,358	112,397	(112,397)	0	0
Operating Appropriations Transfers Between fiscal year 24 & 25 ⁽²⁾	0	0	0	194,790	(194,790)
One-Time Appropriations	(310,546)	(16,381)	(938,145)	(387,942)	(68,372)
Restoration of Fund Balances	(32,297)	(32,020)	(64,139)	(4,564)	(40,200)
Restricted Funds Appropriations (To IFC Contingency)	0	0	(420,636)	(10,283)	(298,523)
Capital Improvement Program – A.B. 1 (34 th Special Session)	0	0	(536,341)	0	(133,374)
Cost of Regular and Special Sessions of Legislatures	<u>(25,086)</u>	<u>0</u>	<u>(34,939)</u>	<u>0</u>	<u>(44,365)</u>
Total Unrestricted Appropriations / Transfers	<u>(\$4,569,779)</u>	<u>(\$4,569,164)</u>	<u>(\$6,777,363)</u>	<u>(\$5,383,339)</u>	<u>(\$6,662,112)</u>
Millennium Scholarship	(7,600)	(7,600)	(7,600)	(7,600)	(7,600)
Grant Matching Program	0	(1,000)	(1,000)	(1,000)	(1,000)
Student Loan Program	0	0	0	(2,500)	(2,500)
Nevada Arts Council	(150)	(150)	(150)	(250)	(250)
Nevada Health Services Corp	0	0	0	(150)	(150)
Disaster Relief Account	(1,000)	(1,500)	(2,000)	(2,000)	(2,000)
Fund to Stabilize the Operation of the State Government	<u>(97,545)</u>	<u>(340,084)</u>	<u>(564,819)</u>	<u>(69,920)</u>	<u>(51,320)</u>
Total Restricted Transfers	<u>(\$ 106,295)</u>	<u>(\$350,334)</u>	<u>(\$574,819)</u>	<u>(\$83,420)</u>	<u>(\$64,820)</u>
Adjustments to Fund Balance	<u>\$53</u>	<u>0</u>	<u>(68)</u>	<u>(6,771)</u>	<u>0</u>
Total Appropriations / Transfers	<u>(\$4,676,021)</u>	<u>(\$4,919,497)</u>	<u>(\$7,352,250)</u>	<u>(\$5,473,530)</u>	<u>(\$6,726,933)</u>
Unappropriated General Fund Balance June 30⁽²⁾	<u>\$1,040,768</u>	<u>\$1,807,971</u>	<u>\$807,505</u>	<u>\$1,497,430</u>	<u>\$1,470,292</u>
5% Minimum Ending Fund Balance	\$ 210,092	\$ 226,038	\$239,158	\$249,027	\$303,864
Difference	\$ 830,676	\$1,581,933	\$568,346	\$1,248,403	\$1,166,428

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

(2) Operating Appropriation Transfers Between fiscal years 2021, 2022 and 2023 are intentionally omitted, as no such transfers occurred during those periods.

(3) Unaudited.

Source: Nevada Legislative Appropriations Report, November 2019, November 2021, November 2023, and Governor's Finance Office.

Population and Age Distribution

Historical state population figures, by county, are shown in the following table. According to Nevada State Department of Taxation population data, the State’s population increased approximately 6.6% between the years 2010 and 2023.

Nevada Population by County

	Census			Nevada State Demographer			
	2000	2010	2020	2022	2023	2024	2025
Carson City	52,457	55,274	58,639	58,314	58,923	60,266	61,888
Churchill	23,982	24,877	25,516	26,564	26,940	27,253	27,364
Clark	1,375,765	1,951,269	2,265,461	2,338,127	2,361,285	2,392,490	2,448,576
Douglas	41,259	46,997	49,488	52,674	54,343	55,797	57,149
Elko	45,291	48,818	53,702	56,396	57,538	57,989	58,031
Esmeralda	971	783	729	1,068	1,067	1,086	1,217
Eureka	1,651	1,987	1,855	1,847	1,776	1,852	1,832
Humboldt	16,106	16,528	17,285	17,921	17,696	17,801	17,918
Lander	5,794	5,775	5,734	6,158	6,121	6,255	5,998
Lincoln	4,165	5,345	4,499	4,971	4,808	4,730	4,667
Lyon	34,501	51,980	59,235	60,454	63,179	65,116	66,154
Mineral	5,071	4,772	4,554	4,870	4,842	4,770	4,702
Nye	32,485	43,946	51,591	51,334	52,478	51,802	52,306
Pershing	6,693	6,753	6,650	7,344	7,464	7,184	7,332
Storey	3,399	4,010	4,104	4,427	4,454	4,457	4,462
Washoe	339,486	421,407	486,492	501,635	508,759	513,854	519,471
White Pine	9,181	10,030	9,080	10,001	10,005	10,209	10,236
Nevada Total	1,998,257	2,700,551	3,104,614	3,204,105	3,241,678	3,282,911	3,349,303

Source: 2000, 2010, and 2020: U.S. Bureau of the Census Decennial Census, counts as of April 1; 2022-2025: Nevada State Demographer; 2025 Governor’s certified series, estimates as of July 1.

The following table sets forth a projected comparative age distribution profile for Clark County, Washoe County, the State and the United States in 2024.

Age Distribution Projections

Age	Percent of Population			
	Clark County	Washoe County	State	United States
14 and under	17.4%	16.3%	17.1%	17.5%
15-24	12.1	12.3	11.9	13.1
25-34	14.6	15.0	14.4	13.6
35-54	27.2	25.5	26.6	25.5
55 and older	28.7	31.0	30.0	30.4

Source: U.S. Census Bureau, 2024 American Community Survey 1-Year Estimates. Table S0101.

Income

The following table sets forth annual per capita personal income levels of the Las Vegas-Henderson-Paradise MSA (which consists of Clark County), the Reno MSA (which consists of Washoe County and Storey County), the State and the United States.

Per Capita Personal Income Groups

Year	Las Vegas- Paradise MSA	Reno- Sparks MSA	State	United States
2019	\$50,433	\$60,970	\$51,942	\$55,567
2020	52,642	65,045	54,656	59,114
2021	58,224	74,762	60,775	64,450
2022	60,083	76,486	62,493	66,096
2023	63,767	81,358	66,238	69,810
2024	-- ⁽¹⁾	-- ⁽¹⁾	69,805	73,204

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

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

Median Household Effective Buying Income Estimates⁽¹⁾

Year	Clark County	Washoe County	State	United States
2019	\$62,107	\$71,881	\$63,276	\$65,712
2021	61,048	76,220	66,274	69,717
2022	70,797	80,125	72,333	74,755
2023	75,065	84,183	76,364	77,719
2024	80,028	91,241	81,134	81,604

Source: U.S. Census Bureau, American Community Survey 1-Year Estimates. Table B1901.

Percent of Households by Effective Buying Income Groups – 2024 Estimates⁽¹⁾

Income Group	Clark County Households	Washoe County Households	State Households	United States Households
Under \$25,000	13.6%	10.6%	13.2%	14.4%
\$25,000 - \$49,999	16.8	16.1	16.9	16.2
\$50,000 - \$99,999	30.1	27.8	29.7	28.2
\$100,000 and Over	39.4	45.4	40.2	41.2

Source: U.S. Census Bureau, 2024 American Community Survey 1-Year Estimates. S1901.

Employment

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

Average Annual Labor Force Summary⁽¹⁾

Calendar Year	2021	2022	2023	2024	2025 YTD⁽⁴⁾
Total Labor Force	1,501,724	1,561,977	1,613,415	1,647,730	1,678,891
Unemployed	102,505	81,174	83,082	91,712	91,672
Unemployment Rate ⁽²⁾	6.8%	5.2%	5.1%	5.6%	5.5%
Total Employment ⁽³⁾	1,399,220	1,480,803	1,530,334	1,556,018	1,587,219

(1) Subject to revision as additional information becomes available, seasonally adjusted data provided.

(2) According to the U.S. Department of Labor, Bureau of Labor Statistics, the U.S. average unemployment rates for the years 2021 through 2024 were 5.4%, 3.6%, 3.6%, and 4.0%, respectively. The U.S. average unemployment rate for 2025 (YTD through December) was 4.2%.

(3) Adjusted by census relationships to reflect number of persons by place of residence.

(4) Through December 2025.

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

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

Industry Classification ⁽²⁾	2021 ⁽³⁾	2022	2023	2024	2025 YTD ⁽⁴⁾
Mining and Logging	15.0	15.0	14.9	14.8	14.8
Construction	98.3	106.8	113.1	110.6	106.8
Manufacturing	61.0	65.9	67.3	67.0	67.5
Trade (wholesale and retail)	186.7	193.7	194.5	192.2	190.8
Transportation, Warehousing and Utilities	89.7	98.0	102.5	102.9	102.3
Information	15.5	18.3	19.2	20.3	20.0
Financial Activities	71.1	76.3	76.9	79.8	78.8
Professional and Business Services	191.5	211.8	215.5	217.3	218.6
Education and Health Services	150.0	157.2	164.6	172.8	179.3
Leisure and Hospitality (casinos excluded)	160.5	184.4	194.1	209.2	210.8
Casino Hotels and Gaming	134.7	152.1	155.6	153.9	154.2
Other Services	39.7	43.9	44.8	45.0	45.8
Government	160.9	165.3	175.9	183.1	184.3
Total All Industries	1,374.6	1,489.6	1,539.8	1,568.8	1,573.9

- (1) Based on non-seasonally adjusted CES information as of December 2025. Subject to revision as additional information becomes available. Totals may not add due to rounding.
- (2) Reflects employment by place of work. Does not necessarily coincide with labor force concept. Includes multiple jobholders.
- (3) For 2020 and 2021, there is higher-than usual volatility in this data due to national methodological changes to try to incorporate in nearer-real-time the impacts of COVID-19.
- (4) YTD data reflects employment through December 2025.

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

Sales and Use Tax

Aggregate sales and use taxes imposed in Nevada’s counties currently range from 6.85% to 8.375% (Esmeralda County and Clark County, respectively). The State General Fund’s share (2%) is a major source of revenue for the State’s General Fund. Clark County and Washoe County are the major sources of taxable sales revenue in the State. The following table presets a record of taxable sales in the state.

Taxable Sales⁽¹⁾
State of Nevada

Fiscal Year Ended June 30	Taxable Sales	Percentage Change
2020	\$61,365,683,690	(1.91)%
2021	67,704,797,544	10.33
2022	81,787,630,231	20.80
2023	86,967,168,094	6.33
2024	90,418,168,437	3.97
2025 ⁽²⁾	87,808,774,460	(2.89)
July 2023-Nov. 2024	\$35,835,932,112	--
July 2024-Nov. 2025	37,533,016,350	4.74%

(1) Subject to change.

Source: State of Nevada – Department of Taxation.

Gaming and Tourism

Gaming. The economy of the State is largely dependent upon a tourism industry based upon legalized casino gambling and related forms of entertainment. The industry represents a significant source of revenues for the State, as well as for county and other local jurisdictions in which gaming companies operate.

Gross taxable gaming revenue has increased in five of the last six fiscal years. During fiscal year 2020, gaming revenue and collections recorded large decreases compared to fiscal year 2019 as a result of the COVID-19 pandemic and related government responses. However, in fiscal year 2021, gaming revenue and collections recorded substantial increases compared to fiscal year 2020. These increases, in part, were due to the resumption of gaming activities that were temporarily suspended due to the COVID-19 pandemic during fiscal year 2020. In fiscal year 2022, fiscal year 2023 and fiscal year 2024, gaming revenue and collections established new all-time records for Nevada and remained well above pre-pandemic totals.

As the table below illustrates, fiscal year 2025 gaming revenue and collections decreased 2.31% compared to fiscal year 2024 and continued to establish all-time records for Nevada. The table below also illustrates that in fiscal year 2026 for the period July 2025 to October 2025, both gaming revenue and collections have increased. These increases can be attributed to several factors, including, but not limited to, strong demand for leisure travel both domestically and internationally in conjunction with gaming-related activities, a healthy local economy, and the return of live entertainment and signature special events on the Las Vegas Strip. Nevada has

recorded forty-five consecutive months of gross gaming revenue amounts in excess of \$1.0 billion even as consumers are facing challenges, including historic levels of inflation, elevated fuel prices and rising interest rates.

Gross Taxable Gaming Revenues and Total Gaming Taxes⁽¹⁾

Fiscal Year Ended June 30	Gross Taxable Gaming Revenue ⁽²⁾		State Gaming Collection ⁽³⁾	
	State Total	% Change	State Total	% Change
2021	\$10,351,167,624	13.12%	\$ 885,683,152 ⁽⁴⁾	43.44% ⁽⁴⁾
2022	14,151,250,934	36.71	1,161,473,525 ⁽⁵⁾	31.14 ⁽⁵⁾
2023	14,624,464,048	3.34	1,174,506,278 ⁽⁶⁾	1.12 ⁽⁶⁾
2024	14,947,481,027	2.21	1,230,306,147 ⁽⁷⁾	4.75 ⁽⁷⁾
2025	15,077,974,830	0.87	1,201,853,313 ⁽⁸⁾	(2.31) ⁽⁸⁾
July 24 – Oct. 24	4,990,298,269	--	367,380,072	--
July 25 – Oct. 25	5,108,876,852	2.38	386,145,567	5.11

- (1) The figures shown are subject to adjustments due to amended tax filings, fines and penalties.
- (2) The total of all sums received as winnings less only the total of all sums paid out as losses (before operating expenses).
- (3) Based upon the taxable revenues generated in the previous month. Cash receipts of the State from all sources relating to gaming (General Fund and other revenues) including percentage license fees, quarterly flat license fees, annual license fees, casino entertainment taxes, annual slot machine taxes, penalties, advance fees, and miscellaneous collections. A portion of collections is deposited to State funds other than the State's General Fund.
- (4) Includes approximately \$118.0 million in unused tax credits that were collected in fiscal year 2020 and transferred to fiscal year 2021 at fiscal year-end.
- (5) Includes approximately \$1.6 million in unused tax credits that were collected in fiscal year 2021 and transferred to fiscal year 2022 at fiscal year-end.
- (6) Includes approximately \$856,000 million in unused tax credits that were collected in fiscal year 2022 and transferred to fiscal year 2023 at fiscal year-end.
- (7) Includes \$2.6 million in unused tax credits that were collected in fiscal year 2023 and transferred to fiscal year 2024 at fiscal year-end.
- (8) Includes \$1.4 million in unused tax credits that were collected in fiscal year 2024 and transferred to fiscal year 2025 at fiscal year-end.

Source: State of Nevada, Gaming Control Board.

Gaming is a Highly Regulated Industry. The five-member Nevada Gaming Commission and the three-member Nevada Gaming Control Board, both appointed by the Governor, investigate and approve all licenses, establish operating rules, monitor the activities of licensed establishments, and collect State gaming fees and taxes. In addition to the State, local governments also license, levy taxes, and regulate gaming establishments and licensees. The laws, regulations, and ordinances of both state and local governments regulate the licensing, operations, and financial stability of the businesses as well as the background and character of the owners, managers, and persons with financial interests in the gaming industry.

The Gaming Industry is Highly Competitive. Prior to the 1980s, Nevada was the only state with legalized casino gaming, although some forms of gaming (such as pari-mutuel horse, dog, and jai alai betting) existed in other states. A significant proliferation of casino and other forms of gaming has occurred outside of Nevada, both nationally and internationally, in recent years. According to the American Gaming Association, there are currently 43 states with some form of legalized commercial or tribal gaming, including land-based casinos, riverboats, racetrack casinos (racinos), online gaming (gaming) and electronic gaming devices at bars, restaurants or other licensed establishments. In many of these states, there are multiple forms of gaming in operation. Overall, 27 states have commercial (commercial casinos/racinos) casinos, 29 states have tribal

casinos, 11 states have legal electronic gaming devices in 11-53 non-casino/racino locations, and 7 states offer gaming. While Nevada continues to be the largest commercial casino market in the United States, California generates the most gaming revenue from Native American gaming facilities.

Gaming continues to expand in foreign countries as well. Nevada no longer enjoys a near-monopoly on the United States gaming market as it did historically. Competition from casino gaming, state-run lotteries, and other forms of gaming will likely continue to increase in the future. Additionally, on May 14, 2018, the Supreme Court of the United States ruled the Professional and Amateur Sports Protection Act was unconstitutional, allowing other states to consider legalized sports wagering. As of January 2025, 37 other states, plus Washington D.C., have legalized and implemented sports wagering within their respective states, with several others considering legalization. The impact of such expansion and proliferation upon Nevada's gaming economy is uncertain.

Federal Activities

Operations and facilities of the Federal Government in the State have been significant, beginning with Hoover Dam in the 1930's, an Army Air Force gunnery school (later Nellis AFB) during World War II, and the subsequent creation of the Nevada National Security Site (formerly the Nevada Test Site). Currently, the following major federal activities are located in the State.

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

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

Nevada National Security Site. The Nevada National Security Site ("NNSS") was established in 1950 as the nation's proving ground for nuclear weapons testing. In recent years, under the direction of the Department of Energy's Nevada Operations Office of the United States Department of Energy, NNSS use has diversified into many other areas such as hazardous chemical spill testing, emergency response training, conventional weapons testing, and waste management projects that can best be conducted in this remote desert area. The NNSS has been designated as an Environmental Research Park where scientists and students can conduct research on environmental issues. Located 65 miles northeast of Las Vegas, the NNSS is a massive outdoor laboratory and national experimental center. NNSS comprises 1,355 square miles, surrounded by thousands of additional acres of land withdrawn from the public domain for use as a protected wildlife range and for a military gunnery range, creating an unpopulated area of some 5,470 square miles. Federal employees and independent contractors are employed at NNSS.

Yucca Mountain. The Federal government previously planned to use Yucca Mountain (located approximately 90 miles northwest of Las Vegas in Nye County) as a national repository for high-level radioactive waste and spent nuclear fuel from civilian nuclear power plants around the country. The DOE submitted in 2008 a license application to the U.S. Nuclear Regulatory Commission (the “NRC”) seeking authorization to construct the nuclear waste and spent fuel repository, but the NRC suspended its review. Following various challenges, in 2013 the U.S. Court of Appeals for the District of Columbia Circuit ordered the NRC to resume the statutory license review process unless Congress declares otherwise through legislation or until appropriated funds are depleted. While NRC review of the Yucca Mountain application continues, there are significant hurdles to its approval, strong opposition to the project, and a current lack of federal funding (no new funds appropriated since September 2010). The Biden Administration (the “Administration”) did not include Yucca Mountain in its fiscal year 2025 budget request. In February 2021 through May 2021 President Biden and Energy Secretary Jennifer Granholm made public statements declaring that the Administration would no longer pursue Yucca Mountain. There were no Congressional budget actions for fiscal year 2025 appropriations for DOE and NRC. Supporters of Yucca Mountain in Congress have stated that they will continue to try to add funding. While those efforts to add funding appear unlikely to succeed, there is no way of knowing at present whether or when Congress will provide new Yucca Mountain funding. Congress is also considering authorizing legislation which could revive the DOE repository program and speed-up the NRC licensing process. Therefore, the status of the proposed high-level nuclear waste repository at Yucca Mountain remains uncertain as of July 2024.

Mining

Nevada is called the “Silver State” because of the vast quantities of silver mined from the Comstock Lode in the 19th Century. Today, Nevada’s mining industry production consists of metals, industrial minerals, oil and gas, and geothermal energy. The total value of mineral production (excluding oil, gas and geothermal) in Nevada reached \$9.2 billion in 2023. Gold is the primary source of mining revenue which reached \$7.8 billion in 2023. Nevada leads the nation in gold production and has one of the two operating lithium mines in the U.S.

Oil and natural gas exploration activity continues in Nevada, albeit at a slow pace compared to other regions in the country. During 2024, 231,191 barrels of oil were sold. There are no commercial sales of natural gas in Nevada; however, small quantities are produced and used to fuel oil production facilities on leased sites.

Net geothermal energy production sold totaled 4.1 million megawatt-hours in 2024 from 27 electrical generating plants. Nevada remains the second largest geothermal energy producer in the nation, behind California.

According to the Nevada Department of Employment, Training and Rehabilitation, in 2024, an average of 14,563 people were directly employed in the minerals industry at an average annual salary of \$119,000.

According to the Nevada Division of Minerals, gold and silver currently account for approximately 83% of total value of metal and non-metal mine production in the Nevada mining industry.

Transportation

Las Vegas and Reno, the State's two major population centers, are 400 miles apart. Both cities have airports designated as international ports of entry and are served by scheduled airlines and supplemental charter carriers.

The Harry Reid International Airport in Las Vegas reported a total of 58.42 million commercial and charter passengers enplaned and deplaned in 2024, making it the busiest year in the airport's history. This reflected an increase from the pre-COVID-19 pandemic previous high passenger count of 51.54 million in 2019 (an increase of 6.1 million passengers or 11.8% over 2019). 2025 statistics through October indicate a decrease in passenger counts from the same period in 2024, with 2025 counts of 46.34 million versus 48.81 million over the same period in 2024, a decrease of 2.47 million passengers or 5.1%. The Reno/Tahoe International Airport reported having a total of 4.45 million passengers enplaned and deplaned in 2019, the largest number of annual passengers since 2007. 2023 statistics for this airport show a continuing recovery from this pre-COVID pandemic high, with 4.57 million passengers enplaned and deplaned. 2024 statistics through October indicate continued growth, with the highest recorded year-to-date passenger count of 4.10 million versus 3.86 million over the same period in 2023, an increase of 227,095 passenger or 5.9%. 2024 statistics through October also exceeded the 2019 statistics for the same period by 9.4% (4.10 million passengers in 2024 versus 3.75 million passengers in 2019).

Two major railroads cross Nevada, while short lines serve as feeders. Several national bus lines and trucking lines serve the State.

Brightline West, a Brightline affiliated company, plans to build a fully electric, high-speed train that would connect Las Vegas and Southern California by 2028. The 218-mile high-speed line would link Las Vegas, Nevada with Rancho Cucamonga, California. From there, riders can connect to Los Angeles via Metro-Link. Brightline West broke ground in early 2024 with mobilization expected in early 2025. Completion is projected for late 2028. The rail option is expected to take half the time of driving. This transportation option is expected to provide a fast and efficient connection that gets people out of their cars, reduces traffic congestion, and decreases air pollution.

The State highway system consists of approximately 5,400 centerline miles, which includes the federal-aid highway system and other improved roads. There are nine federal highways in Nevada, three of which are part of the interstate system. Interstate 15, connecting Salt Lake City and San Diego, passes through Las Vegas and provides convenient access to the Los Angeles area. Interstate 80 connects with the San Francisco Bay area and the RenoSparks area. Interstate 580 connects Reno and Carson City. The full 15 miles of Interstate-11 (aka Boulder City Bypass) opened on August 8, 2018. This is the first segment of Interstate-11 in the United States. Interstate-11 will connect Phoenix and Las Vegas, the two largest metropolitan cities not connected via an interstate. Ultimately Interstate-11 is planned to be a north-south interstate connecting Mexico and Canada as a secondary route to Interstate 5.

U.S. Highways 95 and 93 are major routes north from Las Vegas, through Fallon and Ely, Nevada, respectively. South of Las Vegas, U.S. Highway 95 extends to the Mexican border, generally following the Colorado River, and U.S. Highway 93 crosses into Arizona. U.S. Highway

395 connects Nevada with Washington, Oregon, and California, as well as Canada, and U.S. Highway 6 connects California, Nevada, Utah all the way out to at least Iowa.

Nevada is less than one day's drive to more than 40 million consumers and five major U.S. ports serving the Pacific Rim. Northern Nevada is at the center of the western region, with 11 states and 53 million people only one day's drive away. Southern Nevada is just hours away from the Southern California markets and within 2-day delivery of nearly every state west of the Mississippi River.

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

The following is a brief summary of certain provisions of the Bond Resolution and is qualified in its entirety by the provisions of the Bond Resolution itself. Copies of the Bond Resolution are available from the sources listed in “INTRODUCTION – Additional Information.”

Definitions

As used in the Bond Resolution, the following terms shall, for all purposes, have the following meanings unless the context clearly requires otherwise.

“Board” means the Board of Regents of the Nevada System of Higher Education, and any successor governing body.

“Bond Act” or “Universities Securities Law” means the supplemental act pertaining to the issuance of the Bonds herein authorized, cited as Sections 396.809 through 396.885 NRS, inclusive, and all laws amendatory thereof.

“Bond Fund” means the special and separate account designated as the “Nevada System of Higher Education, Universities Revenue Bonds, Interest and Bond Retirement Fund.”

“Bond Requirements” means the principal of, any prior redemption premiums due in connection with, and the interest on the Bonds, and any additional bonds and securities payable from Pledged Revenues and heretofore or hereafter issued or any designated portion thereof, as such become due.

“Bond Year” means the 12 months commencing on July 2 of any calendar year and ending on July 1 of the next succeeding calendar year.

“Bonds” or the “2026 Bonds” means the Nevada System of Higher Education, Universities Revenue Refunding Bonds, Series 2026.

“Chief Financial Officer” means the de jure or de facto financial officer of the System bearing that title, or such officer’s successor in functions, including the Chief Financial Officer or any appointed interim or acting chief financial officer.

“Comparable Bond Year” means the Bond Year which commences one day after the commencement of the Fiscal Year with which the Bond Year is associated.

“Costs of Issuance Account” means the special and separate account created in the Bond Resolution and to be known as the “Nevada System of Higher Education, Universities Revenue Refunding Bonds, Series 2026, Costs of Issuance Account.”

“Cost of the Project” means all or any part of the Project designated by the Board, or an interest in the Improvements, which at the option of the Board (except as limited by law), may include all or any part of the incidental costs pertaining to the Project, including, without limitation:

(i) preliminary expenses advanced by the Issuer from any source, including any interfund loan of the Issuer, or advanced with the approval of the Issuer by the State, the federal government, or by any other Person, or any combination thereof;

(ii) the costs of the making of surveys, audits, preliminary plans, other plans, specifications, estimates or costs and other preliminaries;

(iii) the costs of premiums on builder's risk insurance and performance bonds, or a reasonably allocable share thereof;

(iv) the costs of appraising, printing, bond insurance premiums, estimates, advice, services of engineers, architects, financial consultants, attorneys at law, clerical help or other agents or employees;

(v) the costs of making, publishing, posting, mailing and otherwise giving any notice in connection with the Project, the filing or recordation of instruments, the taking of options, the issuance of the Bonds and other securities, and bank fees and other expenses;

(vi) the costs of contingencies;

(vii) the costs of the capitalization with proceeds of the Bonds of any operation and maintenance expenses and of any interest on the Bonds for any period not exceeding the period estimated by the Board to effect the Project plus one year, of any discount on the Bonds, of any replacement expenses (except as prescribed by law), and of any other costs of issuance of the Bonds; and

(viii) the costs of funding any short-term financing, construction loans and other temporary loans of not exceeding five years appertaining to the Project and of the incidental expenses incurred in connection with such loans; and

all other expenses necessary or desirable and pertaining to the Project as estimated or otherwise ascertained by the Board including payments of rebate on investment earnings on the Costs of Issuance Account.

“Escrow Account” means a special and separate account, created and established in the Bond Resolution, which account shall be under the control of the Chief Financial Officer, to be known as the “Nevada System of Higher Education, Universities Revenue Refunding Bonds, Series 2026, Escrow Account.”

“Escrow Agent” means U.S. Bank Trust Company, National Association, or any successor escrow agent.

“Escrow Agreement” means the contract designated as the “Nevada System of Higher Education, Universities Revenue Refunding Bonds, Series 2026, Escrow Agreement” between the System and the Escrow Agent.

“Facilities” means all student housing, dining and parking facilities, whether or not presently existing, owned by University of Nevada, Las Vegas or by the System on behalf of University of Nevada, Las Vegas situated on the campus of UNLV, and all student housing, dining

and parking facilities, whether or not presently existing, owned by University of Nevada, Reno or by the System on behalf of the University of Nevada, Reno, situated on the campus of UNR, and other income-producing buildings, structures, improvements and other appurtenances relating thereto, if any, located at or pertaining to any of the Universities, and to which the Net Pledged Revenues pertain by an extension hereafter thereto of the lien and pledge herein provided.

“Federal Securities” means bills, certificates of indebtedness, notes, bonds, or similar securities which are direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America.

“Fiscal Year” means the 12 months commencing on July 1 of any calendar year and ending on June 30 of the next succeeding calendar year.

“Gross Revenues” or “Gross Pledged Revenues” means all the Pledged Revenues.

“Insurer” shall mean the insurer, if any, designated in a certificate of the Chief Financial Officer, or any successor thereto or assignee thereof.

“Issuer” means the Nevada System of Higher Education, the state university constituting a body corporate and politic, and a political subdivision of the State.

“Net Pledged Revenues” or “Net Revenues” means now all the Pledged Revenues and is synonymous with Gross Revenues and Gross Pledged Revenues; but in the case of any future extension of the pledge and lien provided in the Bond Resolution to secure the payment of the Bonds and any other securities payable from Pledged Revenues, to any revenues (other than the Student Fees, UNLV Facilities Revenues, UNR Facilities Revenues and other than any grants from the federal government, the State, or other donor for the payment of Bond Requirements) from any other income-producing Facilities of the Issuer or the Board or other available source, the term “Net Pledged Revenues” or “Net Revenues” may then include the gross revenues of such Facilities remaining after provision is made for the payment of the operation and maintenance expenses of such Facilities from the income of such other income-producing Facilities.

“Operation and maintenance expenses” means all reasonable and necessary current expenses of the Issuer or the Board, or both, as the case may be, paid or accrued, of operating, maintaining and repairing any Facilities pertaining to Pledged Revenues, and may at the Board’s option include, without limitation:

- (a) Legal and overhead expenses of the various departments directly related and reasonably allocated to the administration of the Facilities;
- (b) Fidelity bond and insurance premiums pertaining to the Facilities, or a reasonably allocable share of a premium of any blanket bond or policy pertaining to such Facilities;
- (c) The reasonable charges of any paying agent, or commercial bank, trust bank, or other depository bank pertaining to any securities issued by the Issuer or by the Board and pertaining to any such Facilities;

- (d) Contractual services, professional services, salaries, administrative expenses, and costs of labor pertaining to the Facilities;
- (e) The costs incurred by the Board in the collection of all or any part of the Pledged Revenues, including, without limitation, revenues pertaining to any such Facilities;
- (f) Any costs of utility services furnished to the Facilities by the Issuer or otherwise; and
- (g) Reasonable allowances for the depreciation of furniture and equipment for the Facilities; but
 - (i) excluding any allowance for depreciation, except as otherwise provided in subparagraph (g) of this paragraph;
 - (ii) excluding any costs of reconstruction, improvements, extensions, or betterments;
 - (iii) excluding any accumulation of reserves for capital replacements;
 - (iv) excluding any reserves for operation, maintenance, or repair of any Facilities;
 - (v) excluding any allowance for the redemption of any bond or other security evidencing a loan or other obligation or the payment of any interest thereon;
 - (vi) excluding any liabilities incurred in the acquisition or improvement of any properties comprising any project or any existing Facilities, or any combination thereof; and
 - (vii) excluding any other ground of legal liability not based on contract.

With respect to the UNLV Facilities Revenues and the UNR Facilities Revenues, operation and maintenance expenses of the special event facilities, housing, dining and parking facilities will exclude salaries pertaining to and the costs of utility services furnished to such facilities.

“Outstanding” means all the Bonds or any such other securities payable from Pledged Revenues or otherwise pertaining to the Universities, as the case may be, theretofore and thereupon being executed and delivered:

- (a) except any Bond or other security canceled by the Issuer, or on the Issuer’s behalf, at or before such date;

(b) except any Bond or other security for the payment or the redemption of which monies and Federal Securities (including the known minimum yield from such Federal Securities) at least sufficient to pay when due its Bond Requirements to the date of its maturity or any Redemption Date, whichever date is earlier, if any, shall have theretofore been deposited with a trust bank in escrow or in trust for that purpose; and

(c) except any Bond or other security in lieu of or in substitution for which another Bond or other security shall have been executed and delivered.

Any Bonds held by the Issuer shall not be deemed to be Outstanding for any purpose.

“Parity Lien Bonds” means the Outstanding 2015B Bonds, 2016A Bonds, 2016B Bonds, 2017A Bonds, 2019A Bonds, 2021 Bonds, 2022 Bonds, 2023 Bonds, the 2024 Bonds, the 2025 Bonds, and the Bonds and any additional bonds or securities hereafter issued payable from Pledged Revenues on a parity with the 2015B Bonds, 2016A Bonds, 2016B Bonds, 2017A Bonds, 2019A Bonds, 2021 Bonds, 2022 Bonds, 2023 Bonds, 2024 Bonds, 2025 Bonds, and the Bonds.

“Paying Agent” means U.S. Bank Trust Company National Association, designated in the Bond Resolution by the Issuer as the paying agent and registrar for the Bonds, and any successor named pursuant to Section 908 of the Bond Resolution.

“Permitted Investments” means any investment permitted for bond proceeds by the laws of the State or as otherwise approved by the Insurer, if any.

“Pledged Revenues” means the Student Fees, the UNR Facilities Revenues and UNLV Facilities Revenues, and all grants, if any, conditional or unconditional, from the federal government, the State, or other donor for the payment of any Bond Requirements, or Net Revenues, if any, to be derived from the operation of any income-producing Facilities of the Issuer or the Board or from other available sources and to which the pledge and lien provided in the Bond Resolution hereafter are extended; and “Pledged Revenues” indicates a source or sources of revenues and does not necessarily indicate all or any portion of such revenues in the absence of further qualification.

“Project” means the cost of refunding of certain outstanding obligations designated in the Certificate of the Chief Financial Officer, including paying the costs of issuance of the Bonds.

“Project Act” means Chapter 501, Statutes of Nevada 1991, as amended by Chapter 93, Statutes of Nevada 1995, as amended by Chapter 519, Statutes of Nevada 1999, as further amended by SB 584, Statutes of Nevada 2001, as further amended by SB 413, Statutes of Nevada 2003, as further amended by chapter 297, Statutes of Nevada 2005, as further amended by SB 455, Statutes of Nevada 2007, as further amended by chapter 307, Statutes of Nevada 2009, as further amended by chapter 179, Statutes of Nevada 2011.

“Rebate Fund” means the special and separate account designated as the “Nevada System of Higher Education, Universities Revenue Bonds, Rebate Fund.”

“Redemption Date” means the date fixed by the Issuer for the redemption of any Bonds or other designated securities payable from Pledged Revenues prior to their respective maturities.

“Revenue Fund” means the special and separate account designated as the “Nevada System of Higher Education, Universities Student Fees and Other Pledged Revenues Gross Revenue Fund”, formerly the “University and Community College System of Nevada, Universities Student Fees and Other Pledged Revenues Gross Revenue Fund”.

“Student Fees” means the gross fees from students attending either of the existing Universities for the regular academic year of two semesters (but excluding any summer school student), which fees are commonly designated as the Capital Improvement Fee, the Student Union Capital Improvement Fee, the General Fund Fee and the General Improvement Fee, and if hereafter authorized by law, all additional student fees, if any, to which the pledge and lien provided in the Bond Resolution for the payment of securities authorized by the Project Act and the Bond Act are extended.

“Subordinate Securities” means any bonds or securities hereafter issued and payable from Pledged Revenues and having a lien thereon subordinate and junior to the lien thereon of the Parity Lien Bonds.

“Tax Code” means the federal Internal Revenue Code of 1986, as amended, as in effect on the date of delivery of the Bonds, and all applicable regulations thereunder.

“Treasurer” means the de jure or de facto Treasurer of the Board and ex officio Treasurer of the Issuer, or his or her successor in functions, which functions are now performed by the Chancellor of the Nevada System of Higher Education.

“Universities” means collectively the University of Nevada, Las Vegas, the campus of which is situated in the environs of the City of Las Vegas, and the University of Nevada, Reno, the campus of which is situated in the City of Reno, Nevada. “Universities” includes all additional Universities constructed and otherwise acquired hereafter by the Issuer, if any.

“UNLV Facilities Revenues” means gross revenues derived from or otherwise pertaining to the operation of certain special event facilities located on the University of Nevada, Las Vegas campus and known as the Thomas and Mack Center, and the Cox Pavilion and the operation of all University of Nevada, Las Vegas student housing, University of Nevada, Las Vegas dining facilities and University of Nevada, Las Vegas parking facilities, whether or not presently existing, after the deduction of the operation and maintenance expenses of such special event facilities and such housing, dining and parking facilities (other than salaries and the costs of utility services).

“UNR Facilities Revenues” means gross revenues derived from or otherwise pertaining to the operation of all University of Nevada, Reno student housing, University of Nevada, Reno dining and University of Nevada, Reno parking facilities, whether or not presently

existing, after the deduction of the operation and maintenance expenses of such housing, dining and parking facilities (other than salaries and costs of utility services).

Disposition of Bond Proceeds

Net proceeds from the sale of the Bonds will be deposited in the Escrow Account and the Costs of Issuance Account and used to pay costs of the Project as provided below. First, there shall be credited to the Escrow Account, an amount sufficient, together with any other monies available therefor, to establish any initial cash balance remaining uninvested and to buy the Federal Securities, if any, designated in the Escrow Agreement for purchase by the Issuer and credit to the Escrow Account with the Escrow Agent, for the payment of the bonds to be refunded pursuant to the Escrow Agreement. The Escrow Agent shall segregate the proceeds of the Bonds credited to the Escrow Account. Any moneys remaining after the payment of all amounts due under the Escrow Account shall be transferred to the Bond Fund to be applied to the payment of interest on the Bonds as the same becomes due. Secondly, the balance of the proceeds derived from the sale of the Bonds, except as herein otherwise expressly provided, shall be credited to the Costs of Issuance Account, all moneys remaining from the proceeds of the Bonds after the credits to the Escrow Account provided for in Section 401(A) of the Bond Resolution, to be used to pay the Cost of the Project and the incidental Cost of the Project, including, without limitation, costs of issuance of the Bonds. See "SOURCES AND USES OF FUNDS." Any moneys remaining after the payment of all such Costs shall be transferred to the Bond Fund to be applied to the payment of interest on the Bonds as the same becomes due.

Flow of Funds

So long as any Bonds shall be Outstanding, the entire Gross Revenues derived from the Student Fees, the UNR Facilities Revenues, the UNLV Facilities Revenues and any other Pledged Revenues, shall be set aside and credited immediately to the Revenue Fund.

Under the Bond Resolution, the Revenue Fund will be administered and the moneys on deposit therein will be applied in the following manner and order:

(a) First, there will be credited to the bond funds for the Parity Lien Bonds and any bonds hereafter issued on a parity therewith (i) semi-annually, on each interest payment date, the amount necessary to pay the next maturing installment of interest on the Parity Lien Bonds and any bonds hereafter issued on a parity therewith, and (ii) semi-annually, on each interest payment date, one-half of the amount necessary to pay the next maturing installment of principal of the Parity Lien Bonds and any bonds hereafter issued on a parity therewith, except to the extent any other moneys are available.

(b) Second, the Issuer shall deposit Net Pledged Revenues into the rebate funds for the Parity Lien Bonds and any bonds hereafter issued on a parity therewith, as required under Section 148 of the Tax Code, as required by the bond resolutions for the Parity Lien Bonds and any bonds hereafter issued on a parity therewith.

(c) Third, any monies remaining in the Revenue Fund may be used by the Issuer for payment of the bond requirements of any Subordinate Securities, including reasonable reserves for such Subordinate Securities, as the same accrue.

(d) After the payments required in subsections (a) through (c) described above have been made, on January 2 or July 2 of each year or whenever in the Bond Year all payments required to be made have been made, any remaining Net Pledged Revenues in the Revenue Fund may be used for any lawful purpose, as the Board may from time to time determine.

No payment need be made into the Bond Fund if the amount in such fund is at least equal to the entire amount of the Outstanding Parity Lien Bonds to their respective maturities or designated redemption dates.

If at any time the Issuer shall for any reason fail to pay into the Bond Fund the full amount above stipulated, then an amount shall be paid into the Bond Fund from the first Net Pledged Revenues thereafter received and not required to be applied as heretofore set forth.

Rate Maintenance Covenant

The Issuer must adopt, from time to time revise, and continue in effect a schedule of Student Fees and possibly other charges, grants and other Pledged Revenues pertaining to the Universities so that the amount of Net Pledged Revenues budgeted for receipt in each Fiscal Year is at least sufficient to pay in the Comparable Bond Year an amount, including the proceeds of the General Fund Fee and the General Improvement Fee equal to 150%, and so long as the Parity Lien Bonds (excluding the 2022 Bonds, the 2023 Bonds, the 2024 Bonds, the 2025 Bonds, and the Bonds) remain Outstanding, excluding the proceeds of the General Fund Fee and the General Improvement Fee equal to 110%, of the Bond Requirements (excluding any reserves therefor) of the Bonds and any other Outstanding securities payable from the Net Pledged Revenues in that Bond Year. The rate maintenance covenant described in this paragraph is subject to compliance by the Issuer with any legislation of the United States, the State or other governmental body, or any regulation or other action taken by the federal government, any State agency, or any political subdivision of the State pursuant to such legislation, in the exercise of the police power thereof for the public welfare, which legislation, regulation or action limits or otherwise inhibits the amounts of any fees and other charges due to the Issuer for the use of or otherwise pertaining to the Universities including, without limitation, increases in the amounts of such fees or other charges (or a combination thereof).

Additional Securities

The Bond Resolution permits the Issuer to issue additional obligations payable from Net Pledged Revenues and having a lien thereon on a parity with the lien thereon of the Bonds under certain circumstances. The Issuer has covenanted not to issue additional obligations payable from Net Pledged Revenues and having a lien thereon which is superior to the lien of the Parity Lien Bonds or superior to the lien of any bonds or other securities issued with a lien on a parity with the Parity Lien Bonds.

Additional bonds or other securities payable from the Net Pledged Revenues and having a lien thereon on a parity with the lien of the Bonds may be issued subject to the limitation discussed above; provided, however, that no such additional securities (other than refunding securities) shall be issued unless:

(a) At the time of the adoption of the instrument authorizing the issuance of the additional securities, the Issuer is not in default in making any payments required to be made by the Bond Resolution or the bond resolutions for the other Parity Lien Bonds;

(b) The Net Pledged Revenues derived in either the Fiscal Year immediately preceding, or any 12 consecutive months of the 18 months immediately preceding, the date of issuance of the proposed securities, has been sufficient to pay an amount at least equal to 150% of the combined maximum annual principal and interest requirements (excluding amounts payable by virtue of optional redemption, but taking into account mandatory sinking fund redemptions) to be paid during any one Bond Year ending on or before July 1, 2051, of the Outstanding Parity Lien Bonds, and the securities proposed to be issued (excluding any reserves therefor); and

(c) As long as the Parity Lien Bonds (excluding the 2022 Bonds, the 2023 Bonds, the 2024 Bonds, the 2025 Bonds, and the Bonds) are Outstanding, the Net Pledged Revenues, excluding from those revenues the proceeds of the General Fund Fees and the General Improvement Fees pertaining to the Universities, derived for the Fiscal Year immediately preceding, or any 12 consecutive months of the 18 months immediately preceding, the date of issuance of the additional parity securities, has been sufficient to pay an amount at least equal to 110% of the combined maximum annual principal and interest requirements to be paid during any one Bond Year ending on or before July 1, 2051, of the Outstanding Parity Lien Bonds, and the securities proposed to be issued (excluding any reserves therefor).

In any computation of the earnings test set forth in subparagraph (c) above (but not in any computation of the earnings test set forth in subparagraph (b) above), the amount of Net Pledged Revenues for the next preceding Fiscal Year shall be decreased and may be increased by the amount of loss or gain, respectively, estimated by the Chief Financial Officer resulting from any change in any Student Fees based on the number of full time students (or the equivalent thereof) during the next preceding Fiscal Year, as if the schedule of modified Student Fees had been in effect during the entire next preceding Fiscal Year, if the change shall have been made by the Board prior to such computation of the designated earnings test but made in the same Fiscal Year as the computation or in the next preceding Fiscal Year.

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

In addition, in any computation of the earnings test set forth in subparagraph (c) above (but not in any computation of the earnings test set forth in subparagraph (b) above), there also will be deducted from or added to the amount of any operation and maintenance expenses pertaining to any income-producing Facilities of the Universities and pertaining to any Pledged Revenues any estimated decrease or increase, respectively, in such expenses that will result from the expenditure of the funds to be derived from the issuance and sale of the additional bonds or other additional securities.

Finally, in any computation of the earnings test set forth in subparagraphs (b) and (c) above, the respective annual Bond Requirements (including the amount of any prior redemption premiums due on any redemption date as of which the Issuer shall have exercised or shall have obligated itself to exercise its prior redemption option by a call of securities for payment) shall be reduced to the extent such Bond Requirements are scheduled to be paid in each of the respective Bond Years with monies held in trust or in escrow for the purpose by any trust bank within or without the State, including the known minimum yield from any investment in Federal Securities.

Refunding Securities

Refunding securities enjoying complete parity with then Outstanding unrefunded Bonds may be issued only if either (a) the refunding securities are issued in compliance with the requirements listed under “Additional Securities” above (excluding from any computation the bonds to be refunded) or (b) the refunding securities do not increase for any Bond Year the aggregate principal and interest requirements evidenced by such refunding securities and by the Outstanding securities not refunded on and prior to the last maturity date or last redemption date, if any, whichever time is earlier, of such unrefunded securities, and the lien of any refunding securities on Pledged Revenues is not raised to a higher priority than the lien thereon of the securities thereby refunded, or (c) the lien on the Pledged Revenues for payment of the refunding securities is subordinate to each such lien for the payment of any securities not refunded.

Investments

Any moneys on deposit in the Revenue Fund or the Bond Fund not needed for immediate use may be invested or reinvested by the Treasurer of the Issuer or such officer’s designee in:

- (i) time or demand deposits of any commercial bank appropriately secured according to the laws of the State and otherwise to the extent permitted by the Bond Resolution;
- (ii) Federal Securities, as provided in the Bond Resolution; and
- (iii) other Permitted Investments.

Capitalized interest and accrued interest deposited into the Bond Fund may only be invested in Permitted Investments.

Federal Securities purchased as an investment or reinvestment of moneys in any such accounts shall be deemed at all times to be a part of the account and held in trust therefor. Except as provided in the Bond Resolution, any interest or other gain in any account from any investments or reinvestments in Federal Securities and from any deposits of moneys in any commercial bank shall be credited to the account, and any loss in any account resulting from any such investments and reinvestments in Federal Securities and from any such deposits in a commercial bank shall be charged or debited to the account.

Amendment of the Bond Resolution

The Bond Resolution may be amended, changed or modified without the consent of any holders of Outstanding Bonds or the Insurer, if any, as may be required: (a) by its provisions; (b) for the purpose of curing any ambiguity or formal defect or omission therein; (c) in connection with the issuance and delivery of additional bonds or other securities payable from the Net Pledged Revenues, or (d) in connection with any other change therein which shall not have a material adverse effect on the interests of the owners of the Bonds.

The Bond Resolution otherwise may be amended or supplemented upon the written consent of the Insurer, if any, and the owners of at least 66% in aggregate principal amount of the Outstanding Bonds and any outstanding refunding bonds issued to refund the Bonds; but no such amendment shall have the effect of permitting: (1) a change in the maturity or in the terms of redemption of any installment of principal or interest of any Outstanding Bond; (2) a reduction of the principal, interest rate or prior redemption premium payable in connection with any Bond without the consent of the holder of the Bond; (3) the creation of a lien upon or a pledge of revenues ranking prior to the lien or to the pledge created by the Bond Resolution; (4) a reduction of the principal amount or percentage of the Bonds, the consent of the holders of which is required for any such amendment or other modification; (5) the establishment of priorities between Outstanding Bonds; or (6) the material and prejudicial effect on the rights or privileges of the holders of less than all of the Bonds then Outstanding.

The Bond Resolution requires notice of certain amendments to be mailed electronically or otherwise upon the terms and conditions set forth in the Bond Resolution.

Default

The following are “events of default” under the Bond Resolution: (1) failure to pay when due and payable the principal of the Bonds or any prior redemption premium due in connection therewith at maturity or upon prior redemption, or any installment of interest when due and payable; (2) the Issuer for any reason is rendered incapable of fulfilling its obligations under the Bond Resolution; (3) the Issuer fails to carry out and to perform (or in good faith begin the performance of) all acts required of it under any contract relating to the Pledged Revenues, to any UNR Facilities, to any UNLV Facilities, to the Universities, or any combination thereof, continuing 60 days after notice of such failure has been given to the Issuer by the holders of 10% or more in aggregate principal amount of the Bonds; (4) the entry of a decree or order (with the consent or acquiescence of the Issuer) appointing a receiver or receivers for the Pledged Revenues or any UNLV Facilities or UNR Facilities, or, if such decree was entered without the consent of the Issuer, if it is not vacated, discharged or stayed on appeal within 60 days after entry; (5) a default by the Issuer in the due and punctual performance of any other of the covenants, conditions, agreements, and provisions contained in the Bonds or in the Bond Resolution to be performed (except with respect to the provisions of the Continuing Disclosure Undertaking, which shall not constitute a default under the Bond Resolution), if such default continues for 60 days after written notice specifying such default and requiring the same to be remedied has been given to the Issuer by the holders of 10% or more in principal amount of the Bonds then Outstanding.

Upon the happening and continuance of any event of default, the holders of not less than 10% in aggregate principal amount of the Bonds then Outstanding may proceed against the

Issuer to protect and enforce the rights of any bondholder under the Bond Resolution by suit, action or special proceedings, in equity or at law, either for the appointment of a receiver or for the specific performance of any covenant or agreement contained therein or by an award of execution of any power granted in the Bond Resolution or for the enforcement of any proper legal or equitable remedy as such bondholders may deem most effectual to protect and enforce such rights.

Defeasance

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

Tax Covenant

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

APPENDIX D

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the 2026 Bonds. The 2026 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the 2026 Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2026 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2026 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2026 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2026 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2026 Bonds, except in the event that use of the book-entry system for the 2026 Bonds is discontinued.

To facilitate subsequent transfers, all 2026 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2026 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2026 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2026 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2026 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2026 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2026 Bond documents. For example, Beneficial Owners of 2026 Bonds may wish to ascertain that the nominee holding the 2026 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2026 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2026 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the System as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts 2026 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption proceeds on the 2026 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the System or the Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the System, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest or redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the System or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2026 Bonds at any time by giving reasonable notice to the System or the Registrar and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, 2026 Bond certificates are required to be printed and delivered.

The System may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2026 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the System believes to be reliable, but the System takes no responsibility for the accuracy thereof.

APPENDIX E

FORM OF BOND COUNSEL OPINION

Nevada System of Higher Education
2601 Enterprise Road
Reno, Nevada 89512

\$23,215,000
Nevada System of Higher Education
Universities Revenue Refunding Bonds
Series 2026

Ladies and Gentlemen:

We have acted as bond counsel to the Nevada System of Higher Education (the “System”) in connection with the issuance of its “Nevada System of Higher Education, Universities Revenue Refunding Bonds, Series 2026” (the “Bonds”), in the aggregate principal amount of \$23,215,000 pursuant to an authorizing resolution adopted and approved by the Board of Regents of the System on March 6, 2026 (the “Resolution”). In such capacity, we have examined the System’s certified proceedings and such other documents and such law of the State of Nevada (the “State”) and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Resolution.

Regarding questions of fact material to our opinions, we have relied upon the System’s certified proceedings and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

1. The Bonds are valid and binding, special, limited obligations of the System payable solely from the Net Pledged Revenues and from funds and accounts pledged therefor under the Resolution.
2. The Resolution creates a valid lien on the Net Pledged Revenues pledged therein for the security of the Bonds on a parity with the Parity Lien Bonds and superior to the Subordinate Lien Bonds, if any, to be issued. The Resolution also creates a valid lien on the Bond Fund. Except as described in this paragraph, we express no opinion regarding the priority of the lien securing the Bonds on the Net Pledged Revenues or on the funds and accounts created by the Resolution.
3. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the “Tax Code”), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b) of the Tax Code; however, to the extent such interest is included in calculating the “adjusted financial statement income” of “applicable corporations” (as defined

in Sections 56A and 59(k), respectively, of the Tax Code), such interest is subject to the alternative minimum tax applicable to those corporations under Section 55(b) of the Tax Code. The opinions expressed in this paragraph assume continuous compliance with the covenants and continued accuracy of the representations contained in the System's certified proceedings and in certain other documents and certain other certifications furnished to us.

4. Under the laws of the State in effect as of the date hereof, the Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation skipping transfers imposed pursuant to Chapter 375B of NRS.

The opinions expressed in this opinion letter are subject to the following:

The obligations of the System pursuant to the Bonds and the Resolution may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

In expressing the opinions above, we are relying, in part, on a report of independent certified public accountants verifying the mathematical computations of the adequacy of the maturing principal amounts of and interest on the investments and moneys included in the Escrow Account to pay all interest when due on the Refunded Bonds and the principal thereof becoming due on the prior redemption thereof or at stated maturity.

In this opinion letter rendered in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy or completeness of the Official Statement or any other statements made in connection with any offer or sale of the Bonds or upon any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds, except those specifically addressed herein.

This opinion letter is rendered as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Nevada System of Higher Education (the “Issuer”) in connection with the issuance of the Nevada System of Higher Education, Universities Revenue Refunding Bonds, Series 2026, in the aggregate principal amount of \$23,215,000 (the “Bonds”). The Bonds are being issued pursuant to the bond resolution of the Board of Regents of the Issuer adopted on March 6, 2026 (the “Resolution”). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “SEC”).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Dissemination Agent” shall mean, initially, the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“Financial Obligation” shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board in compliance with the Rule.

“Material Events” shall mean any of the events listed in Section 5 of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board. The MSRB’s required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system available on the Internet at <http://emma.msrb.org>.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with an offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, annually not later than the March 31st following the end of the Issuer's fiscal year, following the end of the Issuer's fiscal year ending June 30, 2026, provide to the MSRB in an electronic format as prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than five (5) business days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report.

(b) If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall file or cause to be filed in a timely manner a notice in substantially the form attached as Exhibit A with the MSRB.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the appropriate electronic format prescribed by the MSRB;

(ii) if the Dissemination Agent is other than the Issuer, send written notice to the Issuer at least 45 days prior to the date the Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof; and

(iii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the entities to which it was provided.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following:

(a) A copy of its annual financial statements prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If audited annual financial statements are not available by the time specified in Section 3(a) above, unaudited financial statements will be provided as part of the Annual Report and audited financial statements will be provided when and if available.

(b) An update of the type of information identified in Exhibit B hereto, which is contained in the tables in the Official Statement with respect to the Bonds (excluding projections, forecasts and budgeted information which are not required to be updated).

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet Web Site or filed with the SEC. The Issuer shall clearly identify each such document incorporated by reference.

SECTION 5. Reporting of Material Events. The Issuer shall provide or cause to be provided, in a timely manner not in excess of 10 business days after the occurrence of the event, notice of any of the following events with respect to the Bonds:

- (a) Principal and interest payment delinquencies;
- (b) Non-payment related defaults, if material;
- (c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) Substitution of credit or liquidity providers, or their failure to perform;
- (f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (g) Modifications to rights of bondholders, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Defeasances;
- (j) Release, substitution or sale of property securing repayment of the Bonds,
if material;
- (k) Rating changes;
- (l) Bankruptcy, insolvency, receivership or similar event of the obligated
person¹;
- (m) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (o) Incurrence of a Financial Obligation of the obligated person, if material, or an agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and

¹ Pursuant to subparagraph (b)(5)(i)(C)(12) of the Rule, this event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority.

(p) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an obligated person, any of which reflect financial difficulties.

SECTION 6. Format; Identifying Information. All documents provided to the MSRB pursuant to this Disclosure Certificate shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

As of the date of this Disclosure Certificate, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

SECTION 7. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the Bonds; (ii) the date that the Issuer shall no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist the Issuer in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and may waive any provision of this Disclosure Certificate, without the consent of the holders and beneficial owners of the Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule; provided that prior to any such amendment or waiver the Issuer shall receive an opinion of nationally recognized bond counsel to the effect that the amendment or waiver will not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The Issuer will provide notice of such amendment or waiver to the MSRB.

SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance under this Disclosure Certificate and all rights and remedies shall be limited to those expressly stated herein.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter, and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

DATE: April 23, 2026.

NEVADA SYSTEM OF HIGHER EDUCATION

Chancellor

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Nevada System of Higher Education

Name of Bond Issue: Nevada System of Higher Education,
Universities Revenue Refunding Bonds, Series 2026

CUSIP:

Date of Issuance: April 23, 2026

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Resolution adopted on March 6, 2026, and the Continuing Disclosure Certificate executed on April 23, 2026, by the Issuer. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____

NEVADA SYSTEM OF HIGHER EDUCATION

By: _____

Title: _____

EXHIBIT B

INDEX OF TABLES

(See page iv of the Official Statement)