NEVADA PREPAID TUITION

Annual Report

Office of Nevada State Treasurer Zach Conine

FY19	July 1, 2018 – June 30, 2019

Zach Conine
State Treasurer

STATE OF NEVADA
OFFICE OF THE STATE TREASURER
NEVADA PREPAID TUITION PROGRAM

February 24, 2020

Dear Governor Sisolak and Members of the Nevada Legislature:

Enclosed please find a copy of the Nevada Prepaid Tuition Program's Fiscal Year 2019 Annual Report as required pursuant to NRS 353B.170.

Since 1998, the Nevada Prepaid Tuition Program has helped families take control of rising tuition costs by purchasing in-state tuition at today's rates for use in the future. In Fiscal Year 2019, the Treasurer's Office worked to establish 674 new Prepaid Tuition contracts, which brings the program's total enrollment to 21,715 children.

The Program continues to be self-sufficient, requiring no contribution from the State's General Fund. As of June 30, 2019, the funded ratio of the plan was 154.6% based on the actuarial value of assets.

The Nevada Prepaid Tuition Program is offered by the Board of Trustees of the College Savings Plans of Nevada and administered by the Nevada State Treasurer's Office. The Program offers a variety of Prepaid Tuition contract levels from community college to university, or a combination of both, as well as flexible payment plans designed to meet the diverse needs of Nevada families.

I look forward to sharing the future successes of this program with you and further assisting Nevadans plan for, save for, and pay for postsecondary education.

Sincerely,

Zach Conine
Nevada State Treasurer

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OVERVIEW

The Nevada Prepaid Tuition Program ("Program") provides a convenient and affordable way for Nevada families to save for college through an IRS Qualified Tuition Program (QTP) option that allows purchasers to lock in the cost of in-state higher education credit hours today, for use in the future. The Program differs from the other Nevada state-sponsored 529 College Savings Plan options because it allows parents, grandparents, extended family and friends to purchase a contract for a fixed amount of in-state undergraduate credit hours for a child to use when they graduate from high school.

The Program offers five tuition plans and four payment options. Contract purchasers choose a plan and a payment option for a specified beneficiary that meets their personal needs and budget. When the beneficiary enrolls in a postsecondary institution, the Program pays the contract benefits (college tuition costs) directly to the institution on the beneficiary's behalf. Contract benefits are based on in-state college tuition rates at Nevada public colleges, but can be applied to tuition costs at any public or private institution of higher education, either in-state or out-of-state, that accepts the free application for federal student aid (FAFSA).

The Program began operating in 1998 following creation by the Nevada Legislature in 1997 under NRS 353B. The Program is administered by the State Treasurer's Office under the direction of the Board of Trustees of the College Savings Plans of Nevada ("Board"). During FY19, the Board consisted of the State Treasurer or his/her designee who served as an ex officio nonvoting member and five voting members:

- Director of the Department of Administration or his/her designee;
- Chancellor of the Nevada System of Higher Education (NSHE) or his/her designee; and
- Three members appointed by the Governor

In accordance with NRS 353B, the Board is required to contract with a certified actuary and a certified public accounting firm to perform annual actuarial valuation and financial audits. For Fiscal Year 2019 ("FY19"), the Board contracted with Gabriel Roeder Smith & Company to conduct the actuarial valuation study, and Eide Bailly LLP to conduct the audit.

FINANCIAL STABILITY

The Program is not supported by the full faith and credit of the State of Nevada, nor is it guaranteed by the State's General Fund. Accordingly, the Board continuously evaluates and takes necessary measures to maintain the financial stability of the Program. In FY19, the Board contracted with investment firms Chicago Equity Partners, Glenmede, and Vanguard to provide professional investment services. The Board also contracted with an investment consultant, Meketa Investment Group Inc., to monitor investments and provide consultation and reporting to the Board. Investments were made in accordance with the Program's Investment Policy, which was approved by the Board and posted on the Nevada Prepaid Tuition website.

During FY19, the Board also reviewed and upheld the Prepaid Tuition funding guidelines with the objective of maintaining assets in excess of tuition liabilities based on a funding target of 120% and recommendations of actions to take when the funding status was over or under the 120% target.

These measures sustained the financial stability of the Program during FY19, and resulted in:

- A favorable rate of return of 6.38% on Actuarial Value of Assets, exceeding assumed return of 5.00%;
- An increase of 5.6% in the Program's total assets;
- A decrease of 3.05% in total Program liabilities;
- A considerable increase (23.95%) in the Program's net position; and
- A funded status of 154.6%.

FINANCIAL OBJECTIVES

The FY19 financial objectives of the Board remained unchanged from previous fiscal years and incorporate the following standards:

- Require the fair value of the Program's investments and assets to be greater than or equal to the actuarial value of all obligations, including future tuition benefits and all future administrative expenses and liabilities associated with operating the Program;
- Establish an appropriate investment portfolio of assets to accumulate an amount sufficient to pay future tuition benefits and administrative expenses associated with all contracts; and
- Establish contract plans and payment options that offer value, flexibility, and affordability for Nevada families.

CONTRACT PRICING

As in previous years, prices for the FY19 enrollment period were established based on four key factors:

1. Future tuition increases assumptions and published rates from the Nevada System of Higher Education (NSHE).
2. Assumed rate of return on investments.
3. Methodology of allocating current and future administrative expenses of the Program.
4. Historical utilization of credit hours by participants in the program.

Based on these factors, the adopted funding guidelines, and the current funded status of the Program, the FY19 Board adopted contract rates with only slightly increased prices.

BENEFIT USAGE

When a contract beneficiary goes to college, benefits can be used at any eligible educational institution nationwide. Approximately 3,255 students used their tuition benefits in FY19, which represented a less than 1% decrease from FY18. However, benefits used in FY19 totaled $11,366,735, which were distributed to 331 different qualified institutions, representing a 1.2% increase in used benefits from FY18. Of the total benefits paid out, $7,349,716, or 64.7%, were paid on behalf of students attending Nevada System of Higher Education institutions.

Noted below is the three-year historical payment summary of payments made to the Nevada System of Higher Education institutions (NSHE), and the amount that has been paid to institutions of higher education across the country.

Program Payments by Year

	FY19	FY18	FY17
In-state (NSHE)	$7,349,717	$7,315,425	$6,764,359
Private / Out-of-State	$4,017,018	$3,911,785	$3,671,593
TOTAL	**$11,366,735**	**$11,277,210**	**$10,435,952**

As of June 30, 2019, a total of 3,500 students have utilized 100% of their contract benefits. Of those depleted contracts, 81.6% had a 4-year university plan.

ENROLLMENT STATISTICS

The FY19 enrollment period ran from November 1, 2018 to April 30, 2019 and welcomed 674 new children into the Program. To better educate families about the Program and to grow enrollment, in FY19 the Treasurer's Office ("Office") attended a number of community events, distributed Program brochures to schools, and utilized earned media to spread the word on incentives offered by the Program upon enrollment.

General statistics are self-reported from participant enrollment forms and is only shared in aggregate. Highlights of the information reported during FY19 open enrollment are noted below.

Program chosen: The four-year university plan in FY19 continued to be the most popular plan choice, with 60.7% of purchasers choosing this option, an increase of 11.8% over the prior fiscal year. The second most popular choice for purchasers was the two-year university plan, which represented 14.7% of all contracts sold.

Program Payment Options: The lump-sum payment option grew in popularity during FY19, representing 41.7% of participants' payment choices. The five-year, ten-year, and extended monthly installment payment options made up the remaining 58.3% of contracts purchased. Among new enrollees choosing a monthly payment option, 16.5% chose to make a down payment, thereby lowering their monthly payments for the contract they purchased.

Beneficiary Age at Enrollment: Newborn enrollments remained the single highest percentage of contracts sold at almost 17%, which gives families the longest time to pay for and benefit from college tuition increases over the years by locking in tuition when their child is under a year old. Roughly 8% of families purchased Prepaid Tuition contracts for third grader's, which represented the second highest percentage of contracts sold.

Referral Source: 25.7% of the purchasers indicated that friends/relatives were the primary source of information about the Program, followed by existing customers (19.0%), and school brochures (15.9%).

The complete collection of enrollment information is contained in Appendix D.

PROGRAM ENHANCEMENTS

In FY17, several enhancements to the Program were passed by the Nevada State Legislature. These measures added value and flexibility for Program participants. For instance, Nevada law now allows an enrollee's unused credits to be applied towards graduate level coursework, paid at the undergraduate rate. In FY19, 111 credits were paid on behalf of seven (7) students for graduate level work, allowing families to maximize the value of their contracts.

Furthermore, participants may now change the qualified beneficiary on a contract after tuition benefits have been paid for the initial beneficiary. In FY19, 10 contracts with usage were transferred to a new student, once again, allowing families to maximize the value of their contracts and provide further opportunity for students to attend college.

Finally, a 10-year payment option was added to give families an alternative to the lump-sum, 5-year, and extended monthly payment options. The 10-year payment option was introduced during the FY19 enrollment period and was well received by contract purchasers. In FY19, 11.6% of new enrollments chose the 10-year payment option which allowed purchasers to reduce their monthly payment from the 5-year option and reduce their total contract amount from the extended monthly option.

Future objectives and strategies to enhance the Program include ongoing evaluation of the following:

- Factors and assumptions used to set contract prices to ensure the Program remains affordable for Nevada families.
- Position and assumptions used for establishing the asset allocation of the Trust Fund portfolio to ensure its long-term financial viability in a cyclical investment environment.
- Continued assessment of the overall Program to identify ways to provide enhanced servicing options to families who have new or existing contracts.
- Expansion of outreach efforts to better educate Nevada families about the Program and how it can fit into their broader strategy to plan for, save for, and pay for, postsecondary education.

SUMMARY OF ACTUARIAL VALUATION REPORT

Pursuant to NRS 353B.190, the Board shall contract with an independent certified actuary to perform an annual actuarial valuation of the Higher Education Tuition Trust Fund. As in the previous fiscal year, the Board contracted with Gabriel Roeder Smith & Company ("GRS") to perform the FY19 valuation. The Actuarial Valuation Report for FY19 as prepared by GRS shows continued improvement in the Higher Education Tuition Trust Fund/Prepaid Tuition Program's financial position. The full Actuarial Valuation Report is provided in Appendix A of this document.

In FY19, the Nevada Board of Regents approved a Predictable Pricing Program, which is intended to base future tuition on the Higher Education Price Index (HEPI) and provide more certainty in short-term increases. With the adoption of the Predictable Pricing Program, modifications to the annual rate of future tuition increase assumptions were made for the Program in FY19 and beyond.

Financially significant results experienced during FY19 are summarized below:

- The stabilization reserve (surplus) grew by $23,777,265, or 26.0% from the prior fiscal year. This surplus acts as a risk reserve to mitigate future experience losses. The increase was primarily due to the interest earned on investments and the assumption changes in tuition increases.
- The actuarial value of assets grew by 7.2%, an increase of $19,260,250 from the prior fiscal year.
- The funded ratio, which represents the Program's ability to meet its current and future obligations for all contracts, rose again this fiscal year from 142.0% in FY18 to 154.6% in FY19. The change in tuition increases assumption is the largest single item resulting in gains to the FY19 Program funded status.

SUMMARY OF INDEPENDENT AUDITOR'S REPORT

NRS 353B.180 requires the Board to contract with an independent certified public accounting firm to perform an annual audit of accounts and records of the State Treasurer and the Board. During FY19, the Board contracted with the independent auditing firm Eide Bailly LLP to perform the audit on the Higher Education Tuition Trust Fund. The financial statements and the full Independent Auditor's Report are provided in Appendix B of this document. The financial statements of the Trust Fund were prepared in conformance with U.S. Generally Accepted Accounting Principles (GAAP) as applied to government agencies and standards accepted by the Governmental Accounting Standards Board (GASB). The Trust Fund continues to be classified as an enterprise fund of the State of Nevada and was included in the State of Nevada's Comprehensive Annual Financial Report.

The Independent Auditor's Report is used to test the scope of internal controls and compliance, and the results of that testing. In FY19, the Trust Fund once again received a favorable opinion. The Independent Auditor's Report found no deficiencies in internal controls of material weakness to be found or reported. Points of interest included:

- Total assets held were $339,473,226, an increase of $18,004,803 or 5.6% from the previous fiscal year.
- For the fourth year, the Trust Fund saw a decrease in total operating expenses. A substantial decrease of $3,247,809 (28.8%) from the prior fiscal year brought the total operating expenses to $8,044,494 in FY19.
- The Cash and Cash Equivalents grew significantly in FY19 from the prior fiscal year. Cash and Cash Equivalents were $5,532,834 in FY18 and rose to $7,949,934 in FY19, an increase of 43.7%.
- Operating revenues decreased insignificantly in FY19, by $142,380, or 1.0% from the prior fiscal year.
- The overall net position for FY19 saw a substantial increase of $24,680,728 (24.0%) from the prior fiscal year.

SUMMARY OF INVESTMENT REPORTS

As stated previously, the Board contracts and regularly meets with professional investment managers and consultants to invest assets of the Higher Education Tuition Trust Fund. In FY19, the Board maintained its investment policy and asset allocation from the previous fiscal year. The portfolio's asset allocation is comprised of 30% fixed income, 20% covered calls, and 50% equities. The equities portion of the portfolio is further allocated to three separate funds: Large Cap, Mid Cap, and Small Cap. The actual allocations deviated slightly from the target allocations; however all were within acceptable variance levels. The investment report is provided in Appendix C of this document.

Points of interest for investments include the following:

- The market value of assets grew to $293,085,000 in FY19, an increase of $17,913,000, or 6.5% from the prior fiscal year.
- At the end of FY19, the Program's portfolio net rate of return on a Market Value basis was 6.5%, which just slightly underperformed its benchmark of 7.2%.
- The Program's three-year net rate of return was 8.6%, slightly below the target benchmark of 9.0%.

APPENDIX A- ACTUARIAL VALUATION REPORT

Nevada Prepaid Tuition Program

Actuarial Valuation Report

As of June 30, 2019

GRS

800.521.0498 | P: 248.799.9000 | F: 248.799.9020 | www.grsconsulting.com

October 30, 2019

The Honorable Zach Conine
Treasurer of the State of Nevada
Capitol Building
Carson City, Nevada 89701

Attention: Ms. Sheila A. Salehian, Deputy Treasurer

Re: Nevada Prepaid Tuition Program Actuarial Valuation as of June 30, 2019

Dear Treasurer Conine:

Gabriel, Roeder, Smith & Company ("GRS") has performed an actuarial valuation of the Nevada Prepaid Tuition Program (the "Program") as of June 30, 2019. The purpose of this actuarial valuation is to evaluate the financial status of the Program as of June 30, 2019.

This report presents the principal results of the actuarial valuation of the Program including the following:

- A comparison of the actuarial present value of the obligations for prepaid tuition contracts purchased through June 30, 2019, with the value of the assets associated with the program as of that same date;
- An analysis of the factors which caused the deficit/surplus to change since the prior actuarial valuation; and
- A summary of the actuarial assumptions and methods utilized in the actuarial calculations.

This report was prepared at the request of the Nevada State Treasurer's Office and is intended for use by the Treasury and those designated or approved by the Treasury. This report may be provided to parties other than the Treasury only in its entirety and only with the permission of the Treasury. This report should not be relied on for any purpose other than the purpose described above. GRS is not responsible for unauthorized use of this report.

The valuation results set forth in this report are based upon data and information, furnished by the Program, concerning Program benefits, financial transactions, and beneficiaries of the Program. We reviewed this information for internal and year-over-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the Program. Further, the data and information provided is through June 30, 2019, and does not reflect subsequent market changes.

There are currently no Actuarial Standards of Practice that specifically refer to prepaid tuition plans. We have followed the guidance from the Actuarial Standards of Practice on pensions due to their similar nature.

One Towne Square | Suite 800 | Southfield, Michigan 48076-3723

The valuation results summarized in this report involve actuarial calculations that require assumptions about future events. The major actuarial assumptions used in this analysis were adopted by and are the responsibility of the Program. We last performed a detailed experience study following the June 30, 2017 Actuarial Valuation. See the assumption letter dated June 7, 2019 for the most recent review of assumptions used in this report. We believe the assumptions are reasonable for the purpose of the measurement and are in compliance with actuarial standards regarding pension calculations, and consequently, for the Program.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: Program experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and changes in plan provisions or applicable law. We have performed an analysis of the sensitivity of certain changes in future assumptions. It is not possible or practical to consider every possible contingency because we may use summary information, estimates or simplifications of calculations to facilitate the modeling of future events. We may also exclude factors or data that are deemed to be immaterial.

This report is not a recommendation to anyone to participate in the Program. GRS makes no representations or warranties to any person participating in or considering participation in the Program. Current and future participants should be aware that the promises of the Program will only be met if the assets of the Program are sufficient to pay its obligations.

To the best of our knowledge, the information contained in this report is accurate and fairly presents the actuarial position of the Nevada Prepaid Tuition Program as of June 30, 2019.

The term "sound" or "actuarially sound" is not explicitly defined in the actuarial standards. To the extent it is used in this report, it refers to the situation where either:

(1) assets meet or exceed liabilities on the valuation date; or
(2) assets are expected to meet or exceed liabilities at a future date based on the measurements on the valuation date and the expected future revenue based on the Program's Funding Policy Guideline.

James R. Sparks is a Member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

The signing individuals are independent of the plan sponsor.

Respectfully submitted,

Kenneth G. Alberts

James R. Sparks, ASA, MAAA

KGA/JRS:rmn

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SECTION A

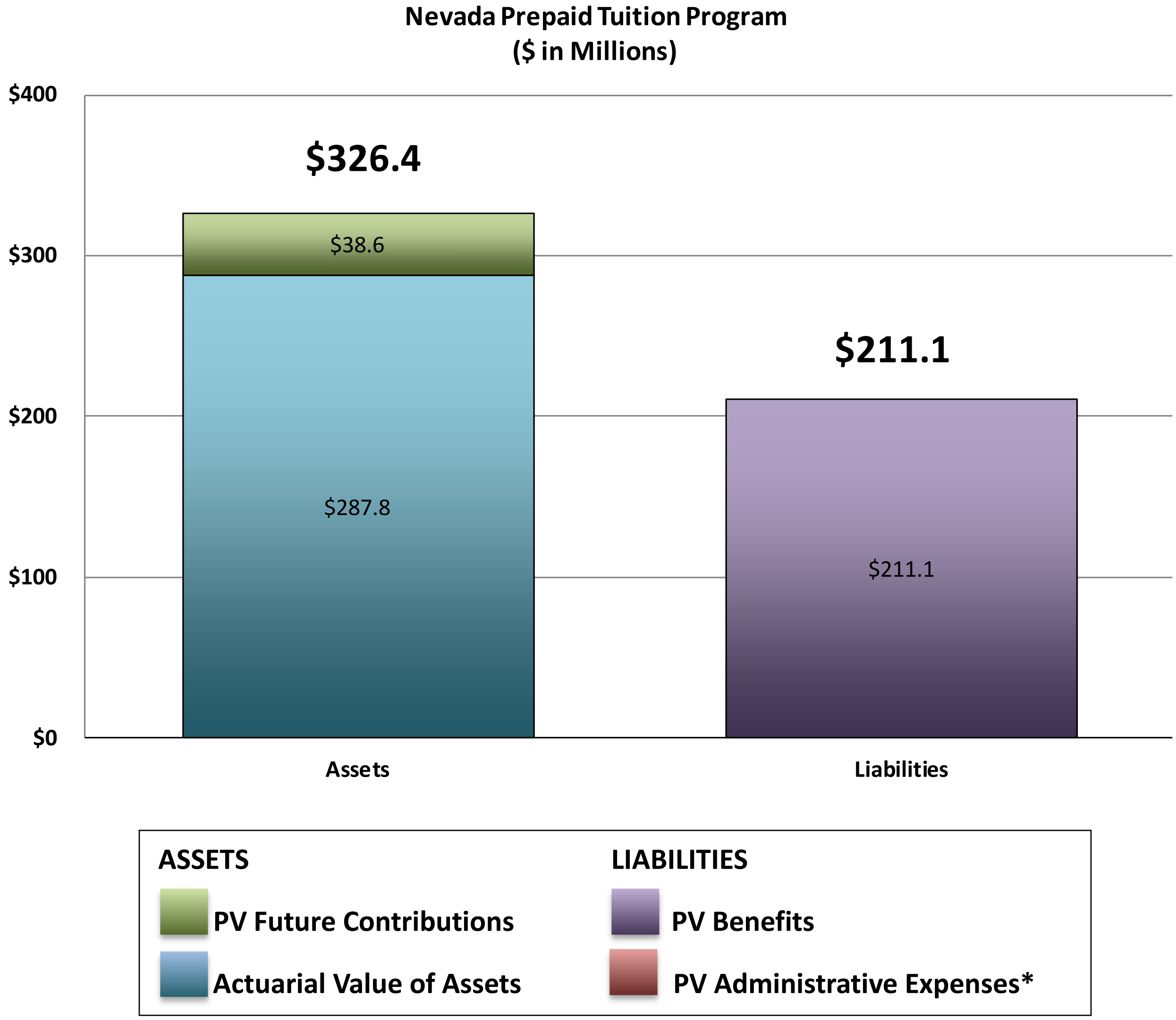
EXECUTIVE SUMMARY

Summary of Results

Valuation Date:	June 30, 2019	June 30, 2018
Membership Summary:		
Counts		
Contract Payments in Progress	3,486	3,668
Contract Payments Fully Paid	5,198	5,175
Delinquent in Contract Payments	368	358
Benefit Payments in Progress	2,936	2,927
Deferred Benefits	317	313
Total	**12,305**	**12,441**
Assets		
Actuarial Value of Assets	$ 287,753,627	$ 268,493,377
Present Value of Future Contract Payments	38,601,915	40,771,772
Total	**$ 326,355,542**	**$ 309,265,149**
Rate of Return on Actuarial Value of Assets for Fiscal Year Ended June 30	6.38%	6.11%
Actuarial Liabilities (Present Value of Future Tuition Payments, Refunds and Fees)	$ 211,104,774	$ 217,791,646
Surplus/(Deficit)	$ 115,250,768	$ 91,473,503
Funded Ratio*	154.6%	142.0%

** The Funded Ratio is the ratio of the Actuarial Value of Assets to actuarial liabilities as defined in the Program's Funding Policy Guideline. This ratio may not be appropriate for determining the Program's settlement costs. This ratio is appropriate for determining the need for future contributions from sources other than payments due from current contracts. A ratio above 100% indicates that additional future contributions from sources other than current contracts are not currently needed to cover liabilities for current contracts under the current set of assumptions. The funded status as of June 30, 2019 would be 160.8% if the Market Value of Assets was used. The rate of return on a Market Value basis for the 2019 fiscal year was 6.41%.*

Summary of Assets and Liabilities as of June 30, 2019



**Present Value of Administrative Expenses is shown as zero, assuming administrative expenses continue to be paid from the College Savings Endowment Fund.*

Funded Status as of June 30, 2019

Actuarial Present Value of Future Tuition Payments, Fees and Expenses	$211,104,774
Actuarial Value of Assets (Including the Present Value of Installment Contract Receivables)	$326,355,542
Surplus/(Deficit) as of June 30, 2019	**$115,250,768**

Change in Surplus/(Deficit)

		Surplus/(Deficit)
(1.)	Value as of June 30, 2018	$ 91,473,503
(2.)	Contract Payments	$ -
(3.)	Admin Fees net of Admin Contributions^	$ -
(4.)	Interest on (1.), (2.), and (3.) at Assumed Market Rate of Return	$ 4,136,135
(5.)	New Enrollment Group #	$ 72,212
(6.)	**Projected Values at June 30, 2019 [(1.) + (2.) + (3.) + (4.) + (5.)]**	**$ 95,681,850**
(7.)	Change Due to:	
	a. Investment Experience Above/(Below) Assumed	$ 3,710,145
	b. Tuition/Fee Inflation	$ -
	c. Change in Tuition Increase Assumption	$ 8,391,334
	d. Change in Investment Return Assumption	$ 3,364,083
	e. Other Program Experience During Fiscal Year 2019 @	$ 4,103,356
	Total	$ 19,568,918
(8.)	**Actual Value as of June 30, 2019 [(6.) + (7.)]**	**$ 115,250,768**

^ *Administrative fees are covered by a contribution from the Endowment Fund.*
\# *Determined before change in assumptions.*
@ *All other plan experience such as data changes, downgrades, upgrades, change of beneficiaries, using credits faster or slower than assumed, refunds, etc.*

Discussion

Actuarial Valuation

Gabriel, Roeder, Smith & Company ("GRS") has performed an actuarial valuation of the Nevada Prepaid Tuition Program as of June 30, 2019.

The primary purposes of the actuarial valuation are to:

- Determine the actuarial present value of the obligations for prepaid tuition contracts purchased through June 30, 2019 and compare such liabilities with the value of the assets associated with the Program as of that same date; and
- Analyze the factors which caused the deficit/surplus to change since the prior actuarial valuation.

This report summarizes the results under the current assumptions and also presents the impact of variances in the rate of tuition and fee increases as well as the rate of investment return on assets.

In addition, the report provides summaries of the member data, financial data, Program provisions, and actuarial assumptions and methods.

The actuarial standards do not define the term "sound" or "actuarially sound." For purposes of this report, we are defining this term to mean the following:

(1) Assets meet or exceed liabilities on the valuation date; or
(2) Assets are expected to meet or exceed liabilities at a future date based on the measurements on the valuation date and the expected future revenue based on the Program's Funding Policy Guideline.

Under this definition, the Program is actuarially sound, based on the actuarial assumptions used in this valuation.

Financial Status of Program

As of June 30, 2019, the present value of all future tuition obligations under contracts outstanding (and excluding estimated future administrative expenses) at that date is $211.1 million. Fund assets as of June 30, 2019, including the Actuarial Value of Program Assets and the present value of installment contract receivables, are $326.4 million.

The difference between the Actuarial Value of Assets of $326.4 million and Program obligations of $211.1 million represents a Program surplus of $115.3 million. The comparable Program surplus as of the last actuarial valuation as of June 30, 2018 was $91.5 million.

Under the approved assumptions, the Program is 154.6% funded and is expected to be able to pay benefits on behalf of all current contracts.

This surplus acts as a risk reserve to mitigate future experience losses.

Discussion

Gain/Loss Analysis

In addition to assumption and methodology changes, the Program experienced continued improvement in the funded status during the year ending June 30, 2019. This net gain was attributed to an investment return on assets that was above the 5.00% assumed rate of return as of the prior valuation. The return on a Market Value basis was 6.41%. Using a 5-year smoothing method, the Actuarial Value of Assets recognized a rate of return of 6.38%. In addition, any investment income on the surplus acts as an additional gain to the Program.

Assumption Changes

Assumptions for the June 30, 2019 actuarial valuation were approved by the Treasurer and are summarized in the annual assumption letter dated June 7, 2019. Changes from the prior valuation included:

1. increasing the assumed rate of investment return from 5.00% to 5.25%; and
2. modifying the annual rate of future tuition increases.

Between the June 30, 2018 and June 30, 2019 Actuarial Valuation cycles, the Nevada Board of Regents approved the "Predictable Pricing Program" which is intended to base future tuition and fees on the Higher Education Price Index (HEPI) and provide more certainty in the short term increases. Under this program, the short term tuition increases (through the 2022/2023 academic year for the June 30, 2019 valuation) are determined based on a formula adopted by the Board of Regents and HEPI data that is available as of June 30, 2019. In order for experience between now and Fiscal Year 2023 to differ from assumed, either the Board of Regents would need to revise decisions already made affecting those years or Commonfund (publisher of HEPI) would need to restate data for 2018 or earlier.

Technical Valuation Programming Updates

There were no changes in the valuation methodology since the June 30, 2017 Actuarial Valuation.

Benefit Provisions

The following changes in the Program provisions became effective as of the June 30, 2018 Actuarial Valuation:

- addition of a 10-year payment plan;
- allowing unused credits after college graduation to be used for graduate school paid out at the Undergraduate rate (no change in the maximum utilization period); and
- allowing a change in beneficiary after matriculation.

These changes were considered in conjunction with the experience study when recommending assumptions that became effective with the June 30, 2018 Actuarial Valuation. The changes did not otherwise affect the computation of liabilities.

Discussion

Annual Benefit Payouts

Annual benefit payouts have continued to be less than expected over the last several valuations resulting in experience gains. Utilization assumptions were lowered during the experience study. This resulted in the actual benefit payouts to be closer to expected ($17.9 million in tuition payments and refunds expected versus $13.9 actual), but still in excess. In prior years, this gap was significantly larger. If the trend continues over the next 4 years, we will recommend adjustments to the assumptions in the next experience study.

Reconciliation of Funded Status Change

	Surplus/(Deficit)	Funded %
June 30, 2018	$ 91,473,503	142.0%
Interest at Assumed Return (5.00%)	4,136,135	1.9%
Investment Experience above/(below) Assumed	3,710,145	1.7%
New Contract Experience	72,212	0.0%
Change in Tuition Increase Assumption	8,391,334	3.9%
Change in Investment Return Assumption	3,364,083	1.5%
Other Experience	4,103,356	1.9%
Change in %'s due to decreasing/(increasing) liabilities*	N/A	1.7%
June 30, 2019	$ 115,250,768	154.6%

** The denominator of the funded status calculation at the beginning of year (June 30, 2018) is based upon the June 30, 2018 total liabilities, while the June 30, 2019 funded status is based upon of the June 30, 2019 total liabilities.*

Asset Methodology

In accordance with the Funding Policy Guideline adopted by the Program, this valuation uses a smoothing process in determining the Actuarial Value of Assets (also known as the Funding Value of Assets). This process immediately recognizes the expected return. Twenty percent (20%) of the difference between the actual and expected return is also recognized in the current year and 20% is recognized in each of the next 4 years. The Actuarial Value of Assets is not allowed to deviate by more than 20% from the market value. This smoothing process is intended to provide a more stable valuation from year to year. This method was first implemented in the June 30, 2015 Actuarial Valuation.

Reported Assets

The reported June 30, 2019 market value of assets was approximately $54k less than what would be obtained from summing the reported June 30, 2018 market value and reported Fiscal Year 2019 revenues and expenditures. For purposes of this valuation, reported investment income was adjusted to force the assets to balance.

Program Payments Modeled

All reported assets were assumed to be available to pay Program payments (tuition and refunds). No non-Program payments were assumed to occur.

SECTION B

PROGRAM DESCRIPTION

Summary of Program Description Evaluated June 30, 2019

Purchasing Contracts – Contract holders may purchase contracts during an enrollment period for newborns to 9th graders. These contracts lock in the cost of tuition for the contract holder at the time of purchase. The holder may choose between a variety of school types and credit hours. Contracts available for purchase include the following:

- **University Plans**
    - 4-Year University (120 University Level Credit Hours)
    - 2-Year University (60 University Level Credit Hours)
    - 1-Year University (30 University Level Credit Hours)
- **Community College Plan**
    - 2-Year Community College (60 Community College Credit Hours)
- **University and Community College Plan**
    - 2-Year Community College and 2-Year University (60 Community College and 60 University Credit Hours)

Contract Payments – Contract holders may agree to pay their contracts off in a variety of ways:

- **Lump-Sum Payment** (Full Contract paid in full at time of enrollment to the Program)
- **10-Year Payments*** (120 monthly payments after purchase of contract)
- **5-Year Payments*** (60 monthly payments after purchase of contract)
- **Extended Payments*** (Monthly payments after purchase of contract for defined period up to and including the year of high school matriculation)

* *Members may also elect monthly payment options with an additional down payment made at the time of enrollment to the Program.*

Tuition Payments – When the beneficiary matriculates, the portion of tuition covered by the Program will be dependent on the school of which they attend and the plan they purchased. The program will pay the tuition (also known as registration fees) for all public Universities or Community Colleges in the state. If the beneficiary elects to attend a private or out-of-state University or Community College, the Program will pay out up to the maximum amount that it would have paid to a Nevada school under the matching contract that was purchased. If a beneficiary graduates with remaining credits, those credits can be used for graduate school.

Refunds – If a contract purchaser elects to withdraw from the plan, the amount refunded will be equal to the sum amount the purchaser has paid into the plan less any fees and/or monies paid to a school on the student's behalf.

Usage Period – Contracts have a 6-year period from the expected matriculation date to utilize credits. Contract extensions are allowed for religious, volunteer or military service.

SECTION C

VALUATION RESULTS

Principal Valuation Results as of June 30, 2019

	2019	2018
Number of Members		
a. Contract Payments in Progress	3,486	3,668
b. Contract Payments Fully Paid	5,198	5,175
c. Delinquent in Contract Payments	368	358
d. Benefit Payments in Progress	2,936	2,927
e. Deferred Benefits	317	313
f. Total	12,305	12,441
Assets		
a. Actuarial Value of Assets	$ 287,753,627	$ 268,493,377
b. PV Future Member Contributions	38,601,915	40,771,772
c. Total Actuarial Value of Assets	$ 326,355,542	$ 309,265,149
Actuarial Results		
Liabilities - Tuition and Fees	$ 211,104,774	$ 217,791,646
Liabilities - Present Value of Future Administrative Expenses	-	-
Liabilities Total	$ 211,104,774	$ 217,791,646
Surplus/(Deficit)	$ 115,250,768	$ 91,473,503
Funded Ratio	154.6%	142.0%

Principal Valuation Results as of June 30, 2019 (Concluded)

	2019	2018
Assets		
a. Actuarial Value of Assets	$ 287,753,627	$ 268,493,377
b. PVFMC* (Short Term)[a]	8,865,168	9,233,936
c. PVFMC* (Long Term)[b]	29,736,747	31,537,836
d. Total Actuarial Value of Assets	$ 326,355,542	$ 309,265,149
Actuarial Present Value of Tuition, Refunds, Fees and Admin Expenses		
a. Short Term[a]	$ 18,350,735	$ 17,509,034
b. Long Term[b]	192,754,039	200,282,612
c. Total	$ 211,104,774	$ 217,791,646
Surplus/(Deficit)	$ 115,250,768	$ 91,473,503
Funded Ratio	154.6%	142.0%

** Present Value of Future Member Contributions.*

[a] *Present value of amounts in following year.*

[b] *Present value of amounts after first year.*

Year to Year Change in Actuarial Calculations

	Present Value of Benefits	PV Future Member Contributions	Funding Value of Assets	Surplus/(Deficit)
	(i)	(ii)	(iii)	(iii) + (ii) - (i)
(1.) Values as of June 30, 2018	$ 217,791,646	$ 40,771,772	$ 268,493,377	$ 91,473,503
(2.) Contract Payments	$ -	$ (9,788,046)	$ 9,788,046	$ -
(3.) Tuition Payments, Refunds, Admin Fees net of Admin Contributions^	$ (13,795,433)	$ -	$ (13,795,433)	$ -
(4.) Interest on (1.), (2.), and (3.) at Assumed Market Rate of Return	$ 11,071,931	$ 1,883,582	$ 13,324,484	$ 4,136,135
(5.) New Enrollment Group #	$ 12,620,147	$ 6,459,351	$ 6,233,008	$ 72,212
(6.) Projected Values at June 30, 2019 [(1.) + (2.) + (3.) + (4.) + (5.)]	$ 227,688,291	$ 39,326,659	$ 284,043,482	$ 95,681,850
(7.) Change Due to:				
a. Investment Experience Above/(Below) Assumed*	$ -	$ -	$ 3,710,145	$ 3,710,145
b. Tuition/Fee Inflation	-	-	-	-
e. Change in Tuition Increase Assumption	(8,391,334)	-	-	8,391,334
d. Change in Investment Return Assumption	(3,686,468)	(322,385)	-	3,364,083
f. Other Program Experience During Fiscal Year 2019 @	(4,505,715)	(402,359)	-	4,103,356
(8.) Total [(7.)a. + (7.)b. + (7.)c. + (7.)d. + (7.)e. + (7.)f.]	$ (16,583,517)	$ (724,744)	$ 3,710,145	$ 19,568,918
(9.) Actual Values as of June 30, 2019 [(6.) + (8.)]	$ 211,104,774	$ 38,601,915	$ 287,753,627	$ 115,250,768

^ Administrative fees are covered by a contribution from the Endowment Fund.
 # Determined before change in assumptions.
** Investment Experience on Actuarial Value of Assets includes any differentiation in Market Value of Assets as provided by the Program.*
@ All other plan experience such as data changes, downgrades, upgrades, change of beneficiaries, using credits faster or slower than assumed, refunds, etc.

SECTION D

FUND ASSETS

Statement of Program Assets (at Market Value)

Nevada Prepaid Tuition Program

Statement of Program Market Value of Assets

Year Ended June 30, 2019

1. Cash	$ 7,691,196
2. Equities	
a. Large Cap Equities	$ 121,645,561
b. Mid Cap Equities	20,603,758
c. Small Cap Equities	10,506,691
Total Equities	$ 152,756,010
3. Fixed Income	$ 81,754,673
4. Other Investments	$ 58,574,069
5. Net Assets = (1) + (2) + (3) + (4)	**$ 300,775,948**

Reconciliation of Program Assets

Nevada Prepaid Tuition Program

Statement of Changes in Program Market Value of Assets

Year Ended June 30, 2019

1. Market Value of Assets at Beginning of Year	$	280,640,639	
2. Changes During Year			
a. Additions			
(i) Investment Income	$	18,162,526	*
(ii) Contract Payments		15,869,029	
(iii) Administration Fees		92,600	
(iv) Transfers from Endowment Account		669,982	
Total Additions = (i) + (ii) + (iii) + (iv)	$	34,794,137	
b. Deductions			
(i) Tuition Payments	$	11,366,735	
(ii) Refunds		2,521,298	
(iii) Administration Expenses		669,982	
(iv) Investment Expenses		100,813	
Total Deductions = (i) + (ii) + (iii) + (iv)	$	14,658,828	
Net Increases (Decreases) During Year = a - b	$	20,135,309	
3. Market Value of Assets at End of Year = 1 + 2	$	300,775,948	
4. Purchased Interest	$	-	
5. Net Market Value of Assets at End of Year = 3 + 4	$	300,775,948	

* *Investment Income includes -$54,239.27 variance in reported assets. Inclusion of this cash flow as investment income does not have a significant effect on valuation results.*

Development of Actuarial Value of Assets

Year Ended June 30	2018	2019	2020	2021	2022	2023
A. Actuarial Value of Assets Beginning of Year	$ 250,294,806	$ 268,493,377				
B. Market Value End of Year	280,640,639	300,775,948				
C. Market Value Beginning of Year	255,914,783	280,640,639				
D. Non-Investment/Administrative Net Cash Flow						
D1. Contract Payments, Admin Fees, Endowment Contributions	17,095,252	16,631,611				
D2. Tuition Payments, Refunds, Admin Expenses	(14,275,031)	(14,558,015)				
D3. Total Net Cash Flow: D1+D2	2,820,221	2,073,596				
E. Investment Return						
E1. Market Total: B-C-D3	21,905,635	18,061,713				
E2. Assumed Rate of Return	5.00%	5.00%	5.25%			
E3. Assumed Amount of Return	12,585,246	13,476,509				
E4. Amount Subject to Phase-In: E1-E3	9,320,389	4,585,204				
F. Phased-In Recognition of Investment Return						
F1. Current Year: 0.20 x E4	1,864,078	917,041				
F2. First Prior Year	2,250,658	1,864,078	$ 917,041			
F3. Second Prior Year	(739,390)	2,250,658	1,864,078	$ 917,041		
F4. Third Prior Year	(582,242)	(739,390)	2,250,658	1,864,078	$ 917,041	
F5. Fourth Prior Year	-	(582,242)	(739,391)	2,250,658	1,864,077	$ 917,040
F6. Total Phase-Ins	2,793,104	3,710,145	4,292,386	5,031,777	2,781,118	917,040
G. Actuarial Value of Assets End of Year						
G1. Preliminary Actuarial Value End of Year: A+D3+E3+F6	$ 268,493,377	$ 287,753,627				
G2. Upper Corridor Limit: 120% x B	336,768,767	360,931,138				
G3. Lower Corridor Limit: 80% x B	224,512,511	240,620,758				
G4. Actuarial Value of Assets End of Year	$ 268,493,377	$ 287,753,627				
H. Difference Between Market and Actuarial Value	12,147,262	13,022,321	8,729,935	3,698,158	917,040	-
I. Recognized Rate of Return	6.11 %	6.38 %				
J. Market Rate of Return	8.51 %	6.41 %				
K. Ratio of Actuarial Value to Market Value	96 %	96 %				

The Actuarial Value of Assets recognizes assumed investment return (line E3) fully each year. Differences between actual and assumed investment return (line E4) are phased-in over a closed 5-year period. During periods when investment performance exceeds the assumed rate, Actuarial Value of Assets will tend to be less than Market Value. During periods when investment performance is less than the assumed rate, Actuarial Value of Assets will tend to be greater than Market Value. If assumed rates are exactly realized for 4 consecutive years, Actuarial Value will become equal to Market Value.

SECTION E

PARTICIPANT DATA

Member Data Beginning to End of Year Summary as of June 30, 2019

	Type of Contract					
	4-Yr. Univ	2-Yr. Univ	1-Yr. Univ	2+2	2-Yr. Comm. Coll	Total
Beginning of Year (6/30/2018)	**8,670**	**1,278**	**414**	**1,220**	**859**	**12,441**
New Contracts	404	99	47	54	65	**669**
Removed Contracts	621	59	13	82	30	**805**
End of Year (6/30/2019)	**8,453**	**1,318**	**448**	**1,192**	**894**	**12,305**

Member Matriculation Summary as of June 30, 2019

Projected Enrollment Year	Type of Contract					Total	
	4-Yr. Univ	2-Yr. Univ	1-Yr. Univ	2+2	2-Yr. Comm. Coll		
2002	3	-	-	1	-	**4**	0.03%
2003	9	-	-	2	1	**12**	0.10%
2004	10	-	-	3	-	**13**	0.11%
2005	16	-	-	2	1	**19**	0.15%
2006	27	-	-	8	2	**37**	0.30%
2007	24	1	-	8	2	**35**	0.28%
2008	34	1	-	10	5	**50**	0.41%
2009	81	1	-	13	2	**97**	0.79%
2010	123	3	-	7	1	**134**	1.09%
2011	124	1	-	17	5	**147**	1.19%
2012	141	2	-	18	8	**169**	1.37%
2013	167	3	-	21	8	**199**	1.62%
2014	235	13	1	29	11	**289**	2.35%
2015	290	8	1	33	17	**349**	2.84%
2016	512	24	3	59	18	**616**	5.01%
2017	497	38	-	67	33	**635**	5.16%
2018	577	60	8	60	42	**747**	6.06%
2019	522	70	17	46	43	**698**	5.67%
2020	484	89	17	82	62	**734**	5.97%
2021	471	97	36	59	74	**737**	5.99%
2022	456	94	41	69	67	**727**	5.91%
2023	433	78	29	65	57	**662**	5.38%
2024	385	101	42	81	58	**667**	5.42%
2025	413	100	32	71	51	**667**	5.42%
2026	356	98	26	52	47	**579**	4.71%
2027	298	74	35	58	43	**508**	4.13%
2028	302	63	20	30	47	**462**	3.75%
2029	279	58	26	46	44	**453**	3.68%
2030	255	52	29	41	43	**420**	3.41%
2031	225	63	17	29	36	**370**	3.01%
2032	204	34	16	28	18	**300**	2.44%
2033	142	29	18	21	18	**228**	1.85%
2034	173	31	18	27	14	**263**	2.14%
2035	106	22	12	16	9	**165**	1.34%
2036	78	10	4	13	7	**112**	0.91%
2037	1	-	-	-	-	**1**	0.01%
Total	**8,453**	**1,318**	**448**	**1,192**	**894**	**12,305**	100.00%
	68.69%	10.71%	3.64%	9.69%	7.27%	100.00%	

Member Payment Option Summary as of June 30, 2019

Contract Payment Type	Type of Contract: 4-Yr. Univ	2-Yr. Univ	1-Yr. Univ	2+2	2-Yr. Comm. Coll	Total	
Lump Sum	3,231	436	225	291	224	**4,407**	35.81%
5-Year Payments	2,758	334	113	361	323	**3,889**	31.61%
Extended Payments	2,464	548	110	540	347	**4,009**	32.58%
Total	**8,453**	**1,318**	**448**	**1,192**	**894**	**12,305**	100.00%
	68.69%	10.71%	3.64%	9.69%	7.27%	100.00%	

SECTION F

METHODS AND ASSUMPTIONS

Valuation Methods and Assumptions

All actuarial assumptions are expectations of future experience, not market measures. The rationale for the assumptions is described in the 2013-2017 Experience Study and the annual assumptions letters addressed to the Treasurer of the State of Nevada.

Assumed Rate of Return, Net of Investment Fees: 5.25%

Assumed Rate of Tuition Increases from Prior Academic Year:

Academic Year	University	Community College
2020-2021#	4.00%	4.00%
2021-2022#	2.80%	2.80%
2022-2023#	2.80%	2.80%
2023-2024+	4.50%	3.75%

Based on actions and/or formulas already adopted by the Board of Regents.

Utilization of Credits*: Benefit payments are based on the following schedule in accordance with the type of Contract and the expected Payout Year.

Type of Contract	First Year	Second Year	Third Year	Fourth Year	Fifth Year	Sixth Year	Seventh Year	Eighth Year
4-Year University Contracts (pre-2010)	20%	20%	20%	15%	10%	5%	5%	5%
4-Year University Contracts (post-2010)	20%	20%	20%	15%	15%	10%		
2-Year CC Plus 2-Year Univ Contracts (pre-2010)	18%	18%	18%	18%	9%	9%	5%	5%
2-Year CC plus 2-Year Univ Contracts (post-2010)	18%	18%	18%	18%	14%	14%		
2-Year University Contracts	25%	25%	20%	15%	10%	5%		
2-Year Community College Contracts	30%	25%	15%	10%	10%	10%		
1-Year Contracts	100%	0%	0%	0%	0%			

* *Liabilities are modeled assuming two payments per year (one in mid-September, one in mid-February) for beneficiaries who have matriculated.*

Refunds: Sum of contract payments to plan. Withdrawal rates at the beginning of each year are based on the following schedule in accordance with the type of contract purchased.

	University Contracts			Community College Contracts^		
Years of Payment Since Purchase	Lump Sum	Five-Year Payments	Extended/ 10-Year Pmts	Lump Sum	Five-Year Payments	Extended/ 10-Year Pmts
1	0.50%	4.00%	5.50%	0.75%	6.00%	7.00%
2	0.50%	4.00%	4.50%	0.75%	5.00%	6.00%
3	0.50%	3.00%	4.00%	0.75%	4.00%	5.00%
4	0.50%	2.00%	3.00%	0.75%	3.00%	5.00%
5	0.50%	1.00%	2.50%	0.75%	2.00%	4.00%
6	0.50%	0.50%	2.50%	0.75%	1.00%	4.00%
7	0.50%	0.50%	2.00%	0.75%	0.75%	3.00%
8	0.50%	0.50%	1.00%	0.75%	0.75%	3.00%
9	0.50%	0.50%	1.00%	0.75%	0.75%	2.00%
10	0.50%	0.50%	1.00%	0.75%	0.75%	2.00%
11	0.50%	0.50%	0.75%	0.75%	0.75%	1.00%
12	0.50%	0.50%	0.75%	0.75%	0.75%	1.00%
13	0.50%	0.50%	0.75%	0.75%	0.75%	0.75%
14	0.50%	0.50%	0.75%	0.75%	0.75%	0.75%
15+	0.50%	0.50%	0.75%	0.75%	0.75%	0.75%

^ The 2-Year Community College plus 2-Year University contracts were included with Community College contracts for the purposes of the refund assumption.

Valuation Methods and Assumptions (Concluded)

If credit utilization for a member has been at or above expectations, 100% of remaining credits will be utilized.

If credit utilization for a member has been below expectations, ½ of the difference between past expected credit utilization and actual credit utilization will be utilized in the future. Any remaining balances are assumed to be refunded.

Election of Program Changes:	None.
Election of Change of Beneficiary:	None.
Liability Adjustments for Administrative Expenses:	None. Administrative expenses are paid from outside the trust.
Contract Terms:	No changes in contract terms are assumed, once initiated.
Pricing Methodology:	Based on Weighted Average Tuition (WAT) rate increased to assumed year of payment, based on tuition rate increase assumption and discounted to payment date based on net investment return assumption.
Timing of Tuition Payments:	Two payments per year (mid September & mid February) for beneficiaries who have matriculated
Timing of Refunds:	At the end of the month the member withdraws from the plan.
Weighted Average Tuition (WAT) for the 2019/2020 Academic Year:	
○ **4-Year College:**	$6,990.00
○ **2-Year College:**	$3,082.50
Bias Load:	None.

Note: Since all the covered in-state 4-year colleges and universities charge the same tuition and all the covered in-state two-year colleges charge the same tuition, the WAT is simply the rate of tuition and fees. If the covered colleges and universities begin to charge different rates of tuition in the future, a WAT (averaging) calculation will be performed and a bias load may be necessary.

SECTION G

SENSITIVITY ANALYSIS

Sensitivity Analysis Description

The actuarial assumptions regarding future increases in tuition costs and fees and the future rate of investment return were adopted by the State Treasurer. In our opinion, the assumptions prescribed to us are reasonable for the purpose of the measurement. However, no one knows with certainty what the future holds with respect to economic and other contingencies. For example, while it is assumed that the assets of the fund will earn 5.00% each year throughout the life of the contracts, actual returns are expected to vary from year to year. Therefore, we have projected the Program's results under alternative assumptions for future investment income and tuition increases as follows:

1. Current valuation assumptions approved by the State Treasurer.
2. Tuition increase assumptions are 100 basis points higher/lower than currently assumed.
3. The investment return assumption is 100 basis points higher/lower than assumed.
4. Tuition increase assumptions are 100 basis points higher and the investment return assumption is 100 basis points lower than assumed.
5. Tuition increase assumptions are 100 basis points lower and the investment return assumption is 100 basis points higher than assumed.
6. Tuition increase assumptions are 25 basis points higher and the investment return assumption is 50 basis points higher than assumed.

Investment gains and losses not yet realized on the valuation date as a result of the 5-year asset smoothing method will be realized in each of the next 4 years. For purposes of this sensitivity testing, future experience was assumed to match the illustrated change in assumptions.

A summary of the impact of each of these scenarios on the principal valuation results is presented on the following page. See Section G for detailed projection results of each scenario.

The projections assume no new contract purchases. Future contract purchases will affect projection results based on the risk margins built into future pricings. If risk margins for new purchases are lower than the current funded status, there will be downward pressure on future funded statuses and vice-versa.

Sensitivity Analysis Summary

$ in Millions

		Current Valuation Assumptions (G-3)	Assumed Tuition Increases +100 Basis Points (G-4)	Assumed Tuition Increases -100 Basis Points (G-5)	Assumed Investment Return +100 Basis Points (G-6)	Assumed Investment Return -100 Basis Points (G-7)	Assumed Tuition Increases +100 Basis Points and Investment Return -100 Basis Points (G-8)	Assumed Tuition Increases -100 Basis Points and Investment Return +100 Basis Points (G-9)	Assumed Tuition Increases +25 Basis Points and Investment Return +50 Basis Points (G-10)
	Assumed Investment Return	5.25%	5.25%	5.25%	6.25%	4.25%	4.25%	6.25%	5.75%
	Assumed Long-Term Tuition Increases (Univ)[#]	4.50%	5.50%	3.50%	4.50%	4.50%	5.50%	3.50%	4.75%
	Assumed Long-Term Tuition Increases (CC)[#]	3.75%	4.75%	2.75%	3.75%	3.75%	4.75%	2.75%	4.00%
1	Assets								
	a. Actuarial Value of Assets	$287.8	$287.8	$287.8	$287.8	$287.8	$287.8	$287.8	$287.8
	b. PV Future Member Contributions	$ 38.6	$ 38.6	$ 38.6	$ 37.4	$ 39.9	$ 39.9	$ 37.4	$ 38.0
	c. Total Assets	$326.4	$326.4	$326.4	$325.2	$327.7	$327.7	$325.2	$325.8
2	Actuarial Results								
	Liabilities - Tuition and Fees	$211.1	$219.9	$203.0	$197.6	$226.2	$236.1	$190.3	$206.2
	Liabilities - PV of Future Admin. Expenses	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0
	Liabilities Total	$211.1	$219.9	$203.0	$197.6	$226.2	$236.1	$190.3	$206.2
	Surplus/(Deficit)	**$115.3**	**$106.5**	**$123.4**	**$127.6**	**$101.5**	**$ 91.6**	**$134.9**	**$119.6**
	Funded Ratio	**154.6%**	**148.4%**	**160.8%**	**164.6%**	**144.8%**	**138.8%**	**170.8%**	**158.0%**
	Difference From Results based on Current Assumptions								
	Surplus	$0.0	$(8.8)	$8.1	$12.3	$(13.8)	$(23.7)	$19.6	$4.3
	Funded Ratio	0.0%	(6.2)%	6.2%	10.0%	(9.8)%	(15.8)%	16.2%	3.4%

[#] Only affects assumptions in Fiscal Year's ending 2024 and thereafter.

Numbers may not match schedules in Section G due to rounding.

Nevada Prepaid Tuition Program
Projection Based on June 30, 2019 Valuation Results

Input	
Valuation	
Assumed Rate of Investment Return	5.25%

Estimated Valuation Results	
Present Value of Future Tuition and Fees	$211,104,774
Present Value of Future Contract Payments	$ 38,601,915
June 30, 2019 Actuarial Value of Assets	$287,753,627
Unfunded Liability	$(115,250,768)
Funded Status	154.6%
Year Insolvent	Never

Fiscal Year Ending June 30,	Actual Investment Return During Year	Actual Tuition Increase for Universities	Actual Tuition Increase for Comm. Colleges/CC	Actuarial Value of Assets (BOY*)	Projected Tuition Payments & Refunds (Discounted to BOY*)	Other Payments	Additional Transfers from NCSTF (EOY*)	Projected Contract Payments (Discounted to BOY*)	Projected Funded Status
2020	5.25%	n/a	n/a	$ 287,753,627	$ 18,350,735	$ -	-	$ 8,865,168	154.6%
2021	5.25%	4.00%	4.00%	297,169,519	19,015,446	-	-	7,453,288	161.9%
2022	5.25%	2.80%	2.80%	305,633,525	19,271,184	-	-	6,189,423	170.9%
2023	5.25%	2.80%	2.80%	310,691,850	19,252,045	-	-	5,033,256	180.3%
2024	5.25%	4.50%	3.75%	312,954,936	19,045,638	-	-	3,944,774	190.2%
2025	5.25%	4.50%	3.75%	313,491,411	19,136,644	-	-	3,046,698	201.4%
2026	5.25%	4.50%	3.75%	313,015,041	19,252,252	-	-	2,507,153	215.0%
2027	5.25%	4.50%	3.75%	311,824,114	18,855,420	-	-	2,103,755	231.9%
2028	5.25%	4.50%	3.75%	310,563,753	18,298,133	-	-	1,764,906	252.8%
2029	5.25%	4.50%	3.75%	309,467,129	17,369,539	-	-	1,426,047	279.0%
2030	5.25%	4.50%	3.75%	308,933,628	16,732,754	-	-	1,026,788	311.7%
2031	5.25%	4.50%	3.75%	308,622,114	15,976,924	-	-	770,312	354.2%
2032	5.25%	4.50%	3.75%	308,819,815	14,808,522	-	-	569,049	410.9%
2033	5.25%	4.50%	3.75%	310,045,810	13,955,301	-	-	408,980	486.7%
2034	5.25%	4.50%	3.75%	312,065,712	12,566,515	-	-	275,492	594.8%
2035	5.25%	4.50%	3.75%	315,512,860	11,638,546	-	-	128,713	750.4%
2036	5.25%	4.50%	3.75%	319,963,186	10,177,098	-	-	49,726	999.1%
2037	5.25%	4.50%	3.75%	326,102,194	8,581,072	-	-	4,460	1,000.0%+
2038	5.25%	4.50%	3.75%	334,195,675	6,389,756	-	-	-	1,000.0%+
2039	5.25%	4.50%	3.75%	345,015,730	4,542,741	-	-	-	1,000.0%+
2040	5.25%	4.50%	3.75%	358,347,821	2,990,156	-	-	-	1,000.0%+
2041	5.25%	4.50%	3.75%	374,013,941	1,520,105	-	-	-	1,000.0%+
2042	5.25%	4.50%	3.75%	392,049,763	563,354	-	-	-	1,000.0%+
2043	5.25%	4.50%	3.75%	412,039,445	6,377	-	-	-	1,000.0%+
2044	5.25%	4.50%	3.75%	433,664,804	3,171	-	-	-	1,000.0%+
2045	5.25%	4.50%	3.75%	456,428,869	3,171	-	-	-	1,000.0%+

** Beginning/End of year (Fiscal).*

Nevada Prepaid Tuition Program

Projection Based on June 30, 2019 Tuition Increases +100 Basis Points

Input	
Valuation	
Assumed Rate of Investment Return	5.25%

Estimated Valuation Results	
Present Value of Future Tuition and Fees	$219,880,589
Present Value of Future Contract Payments	$ 38,601,915
June 30, 2019 Actuarial Value of Assets	$287,753,627
Unfunded Liability	$(106,474,953)
Funded Status	148.4%
Year Insolvent	Never

Fiscal Year Ending June 30,	Actual Investment Return During Year	Actual Tuition Increase for Universities	Actual Tuition Increase for Comm. Colleges/CC	Actuarial Value of Assets (BOY*)	Projected Tuition Payments & Refunds (Discounted to BOY*)	Other Payments	Additional Transfers from NCSTF (EOY*)	Projected Contract Payments (Discounted to BOY*)	Projected Funded Status
2020	5.25%	n/a	n/a	$ 287,753,627	$ 18,350,735	$ -	-	$ 8,865,168	148.4%
2021	5.25%	4.00%	4.00%	297,169,519	19,015,446	-	-	7,453,288	154.9%
2022	5.25%	2.80%	2.80%	305,633,525	19,271,184	-	-	6,189,423	162.7%
2023	5.25%	2.80%	2.80%	310,691,850	19,252,045	-	-	5,033,256	170.7%
2024	5.25%	**5.50%**	**4.75%**	312,954,936	19,218,636	-	-	3,944,774	179.1%
2025	5.25%	**5.50%**	**4.75%**	313,309,331	19,491,306	-	-	3,046,698	188.3%
2026	5.25%	**5.50%**	**4.75%**	312,450,120	19,795,075	-	-	2,507,153	199.5%
2027	5.25%	**5.50%**	**4.75%**	310,658,215	19,571,257	-	-	2,103,755	213.4%
2028	5.25%	**5.50%**	**4.75%**	308,583,225	19,174,064	-	-	1,764,906	230.6%
2029	5.25%	**5.50%**	**4.75%**	306,460,705	18,374,595	-	-	1,426,047	251.9%
2030	5.25%	**5.50%**	**4.75%**	304,711,546	17,871,041	-	-	1,026,788	278.5%
2031	5.25%	**5.50%**	**4.75%**	302,980,325	17,228,091	-	-	770,312	312.9%
2032	5.25%	**5.50%**	**4.75%**	301,564,979	16,122,136	-	-	569,049	358.7%
2033	5.25%	**5.50%**	**4.75%**	301,027,516	15,340,222	-	-	408,980	419.7%
2034	5.25%	**5.50%**	**4.75%**	301,116,328	13,947,007	-	-	275,492	506.4%
2035	5.25%	**5.50%**	**4.75%**	302,535,666	13,043,494	-	-	128,713	630.6%
2036	5.25%	**5.50%**	**4.75%**	304,825,980	11,516,656	-	-	49,726	828.6%
2037	5.25%	**5.50%**	**4.75%**	308,760,400	9,805,110	-	-	4,460	1,000.0%+
2038	5.25%	**5.50%**	**4.75%**	314,655,137	7,371,186	-	-	-	1,000.0%+
2039	5.25%	**5.50%**	**4.75%**	323,416,358	5,290,600	-	-	-	1,000.0%+
2040	5.25%	**5.50%**	**4.75%**	334,827,361	3,515,715	-	-	-	1,000.0%+
2041	5.25%	**5.50%**	**4.75%**	348,705,507	1,804,389	-	-	-	1,000.0%+
2042	5.25%	**5.50%**	**4.75%**	365,113,426	675,111	-	-	-	1,000.0%+
2043	5.25%	**5.50%**	**4.75%**	383,571,327	7,641	-	-	-	1,000.0%+
2044	5.25%	**5.50%**	**4.75%**	403,700,779	3,800	-	-	-	1,000.0%+
2045	5.25%	**5.50%**	**4.75%**	424,891,070	3,800	-	-	-	1,000.0%+

** Beginning/End of year (Fiscal).*

Nevada Prepaid Tuition Program
Projection Based on June 30, 2019 Tuition Increases -100 Basis Points

Input	
Valuation	
Assumed Rate of Investment Return	5.25%

Estimated Valuation Results	
Present Value of Future Tuition and Fees	$ 202,985,136
Present Value of Future Contract Payments	$ 38,601,915
June 30, 2019 Actuarial Value of Assets	$ 287,753,627
Unfunded Liability	$(123,370,406)
Funded Status	160.8%
Year Insolvent	Never

Fiscal Year Ending June 30,	Actual Investment Return During Year	Actual Tuition Increase for Universities	Actual Tuition Increase for Comm. Colleges/CC	Actuarial Value of Assets (BOY*)	Projected Tuition Payments & Refunds (Discounted to BOY*)	Other Payments	Additional Transfers from NCSTF (EOY*)	Projected Contract Payments (Discounted to BOY*)	Projected Funded Status
2020	5.25%	n/a	n/a	$ 287,753,627	$ 18,350,735	$ -	-	$ 8,865,168	160.8%
2021	5.25%	4.00%	4.00%	297,169,519	19,015,446	-	-	7,453,288	169.0%
2022	5.25%	2.80%	2.80%	305,633,525	19,271,184	-	-	6,189,423	179.2%
2023	5.25%	2.80%	2.80%	310,691,850	19,252,045	-	-	5,033,256	190.1%
2024	5.25%	**3.50%**	**2.75%**	312,954,936	18,872,640	-	-	3,944,774	201.9%
2025	5.25%	**3.50%**	**2.75%**	313,673,491	18,785,362	-	-	3,046,698	215.2%
2026	5.25%	**3.50%**	**2.75%**	313,576,405	18,719,723	-	-	2,507,153	231.5%
2027	5.25%	**3.50%**	**2.75%**	312,975,436	18,159,848	-	-	2,103,755	251.9%
2028	5.25%	**3.50%**	**2.75%**	312,507,609	17,455,106	-	-	1,764,906	277.2%
2029	5.25%	**3.50%**	**2.75%**	312,400,324	16,411,452	-	-	1,426,047	308.9%
2030	5.25%	**3.50%**	**2.75%**	313,029,202	15,657,998	-	-	1,026,788	348.7%
2031	5.25%	**3.50%**	**2.75%**	314,063,886	14,806,842	-	-	770,312	400.7%
2032	5.25%	**3.50%**	**2.75%**	315,778,792	13,591,743	-	-	569,049	470.2%
2033	5.25%	**3.50%**	**2.75%**	318,650,792	12,684,688	-	-	408,980	563.6%
2034	5.25%	**3.50%**	**2.75%**	322,459,776	11,312,027	-	-	275,492	697.2%
2035	5.25%	**3.50%**	**2.75%**	327,772,961	10,373,994	-	-	128,713	890.2%
2036	5.25%	**3.50%**	**2.75%**	334,197,882	8,982,884	-	-	49,726	1,000.0%+
2037	5.25%	**3.50%**	**2.75%**	342,341,122	7,500,236	-	-	4,460	1,000.0%+
2038	5.25%	**3.50%**	**2.75%**	352,424,727	5,531,392	-	-	-	1,000.0%+
2039	5.25%	**3.50%**	**2.75%**	365,105,235	3,894,884	-	-	-	1,000.0%+
2040	5.25%	**3.50%**	**2.75%**	380,173,894	2,539,206	-	-	-	1,000.0%+
2041	5.25%	**3.50%**	**2.75%**	397,460,509	1,278,501	-	-	-	1,000.0%+
2042	5.25%	**3.50%**	**2.75%**	416,981,564	469,280	-	-	-	1,000.0%+
2043	5.25%	**3.50%**	**2.75%**	438,379,179	5,312	-	-	-	1,000.0%+
2044	5.25%	**3.50%**	**2.75%**	461,388,495	2,641	-	-	-	1,000.0%+
2045	5.25%	**3.50%**	**2.75%**	485,608,611	2,641	-	-	-	1,000.0%+

** Beginning/End of year (Fiscal).*

Nevada Prepaid Tuition Program
Projection Based on June 30, 2019 Investment Return +100 Basis Points

Input	
Valuation	
Assumed Rate of Investment Return	6.25%

Estimated Valuation Results	
Present Value of Future Tuition and Fees	$197,571,826
Present Value of Future Contract Payments	$ 37,365,574
June 30, 2019 Actuarial Value of Assets	$287,753,627
Unfunded Liability	$(127,547,375)
Funded Status	164.6%
Year Insolvent	Never

Fiscal Year Ending June 30,	Actual Investment Return During Year	Actual Tuition Increase for Universities	Actual Tuition Increase for Comm. Colleges/CC	Actuarial Value of Assets (BOY*)	Projected Tuition Payments & Refunds (Discounted to BOY*)	Other Payments	Additional Transfers from NCSTF (EOY*)	Projected Contract Payments (Discounted to BOY*)	Projected Funded Status
2020	**6.25%**	n/a	n/a	$ 287,753,627	$ 18,277,549	$ -	-	$ 8,823,351	164.6%
2021	**6.25%**	4.00%	4.00%	299,985,529	18,939,958	-	-	7,418,131	173.4%
2022	**6.25%**	2.80%	2.80%	311,524,461	19,194,804	-	-	6,160,228	184.3%
2023	**6.25%**	2.80%	2.80%	319,926,621	19,175,897	-	-	5,009,514	195.8%
2024	**6.25%**	4.50%	3.75%	325,787,292	18,970,393	-	-	3,926,166	208.3%
2025	**6.25%**	4.50%	3.75%	330,164,508	19,061,264	-	-	3,032,326	222.4%
2026	**6.25%**	4.50%	3.75%	333,769,044	19,176,557	-	-	2,495,327	239.8%
2027	**6.25%**	4.50%	3.75%	336,905,803	18,781,360	-	-	2,093,832	261.4%
2028	**6.25%**	4.50%	3.75%	340,231,917	18,226,318	-	-	1,756,581	288.2%
2029	**6.25%**	4.50%	3.75%	343,997,316	17,301,403	-	-	1,419,320	321.9%
2030	**6.25%**	4.50%	3.75%	348,622,436	16,667,154	-	-	1,021,944	364.2%
2031	**6.25%**	4.50%	3.75%	353,788,303	15,914,318	-	-	766,678	419.3%
2032	**6.25%**	4.50%	3.75%	359,805,705	14,750,518	-	-	566,364	493.0%
2033	**6.25%**	4.50%	3.75%	367,222,898	13,900,662	-	-	407,051	592.0%
2034	**6.25%**	4.50%	3.75%	375,837,367	12,517,328	-	-	274,192	733.7%
2035	**6.25%**	4.50%	3.75%	386,318,871	11,593,014	-	-	128,105	938.3%
2036	**6.25%**	4.50%	3.75%	398,282,334	10,137,297	-	-	49,491	1,000.0%+
2037	**6.25%**	4.50%	3.75%	412,456,687	8,547,523	-	-	4,439	1,000.0%+
2038	**6.25%**	4.50%	3.75%	429,158,203	6,364,775	-	-	-	1,000.0%+
2039	**6.25%**	4.50%	3.75%	449,218,017	4,524,981	-	-	-	1,000.0%+
2040	**6.25%**	4.50%	3.75%	472,486,351	2,978,466	-	-	-	1,000.0%+
2041	**6.25%**	4.50%	3.75%	498,852,127	1,514,162	-	-	-	1,000.0%+
2042	**6.25%**	4.50%	3.75%	528,421,588	561,152	-	-	-	1,000.0%+
2043	**6.25%**	4.50%	3.75%	560,851,713	6,352	-	-	-	1,000.0%+
2044	**6.25%**	4.50%	3.75%	595,898,197	3,159	-	-	-	1,000.0%+
2045	**6.25%**	4.50%	3.75%	633,138,478	3,159	-	-	-	1,000.0%+

** Beginning/End of year (Fiscal).*

Nevada Prepaid Tuition Program
Projection Based on June 30, 2019 Investment Return -100 Basis Points

Input	
Valuation	
Assumed Rate of Investment Return	**4.25%**

Estimated Valuation Results	
Present Value of Future Tuition and Fees	$226,236,445
Present Value of Future Contract Payments	$ 39,925,451
June 30, 2019 Actuarial Value of Assets	$287,753,627
Unfunded Liability	$(101,442,633)
Funded Status	144.8%
Year Insolvent	Never

Fiscal Year Ending June 30,	Actual Investment Return During Year	Actual Tuition Increase for Universities	Actual Tuition Increase for Comm. Colleges/CC	Actuarial Value of Assets (BOY*)	Projected Tuition Payments & Refunds (Discounted to BOY*)	Other Payments	Additional Transfers from NCSTF (EOY*)	Projected Contract Payments (Discounted to BOY*)	Projected Funded Status
2020	**4.25%**	n/a	n/a	$ 287,753,627	$ 18,424,983	$ -	-	$ 8,907,585	144.8%
2021	**4.25%**	4.00%	4.00%	294,353,655	19,092,030	-	-	7,488,950	150.8%
2022	**4.25%**	2.80%	2.80%	299,799,250	19,348,674	-	-	6,219,038	158.1%
2023	**4.25%**	2.80%	2.80%	301,634,191	19,329,299	-	-	5,057,338	165.6%
2024	**4.25%**	4.50%	3.75%	300,492,166	19,121,977	-	-	3,963,648	173.3%
2025	**4.25%**	4.50%	3.75%	297,460,526	19,213,121	-	-	3,061,275	181.9%
2026	**4.25%**	4.50%	3.75%	293,264,299	19,329,048	-	-	2,519,149	192.3%
2027	**4.25%**	4.50%	3.75%	288,203,713	18,930,557	-	-	2,113,821	205.2%
2028	**4.25%**	4.50%	3.75%	282,920,924	18,370,992	-	-	1,773,351	221.1%
2029	**4.25%**	4.50%	3.75%	277,642,022	17,438,666	-	-	1,432,870	240.9%
2030	**4.25%**	4.50%	3.75%	272,755,766	16,799,307	-	-	1,031,700	265.6%
2031	**4.25%**	4.50%	3.75%	267,910,156	16,040,440	-	-	773,998	297.6%
2032	**4.25%**	4.50%	3.75%	263,381,071	14,867,369	-	-	571,771	340.0%
2033	**4.25%**	4.50%	3.75%	259,671,606	14,010,734	-	-	410,937	396.7%
2034	**4.25%**	4.50%	3.75%	256,529,861	12,616,416	-	-	276,810	477.1%
2035	**4.25%**	4.50%	3.75%	254,568,341	11,684,740	-	-	129,328	592.5%
2036	**4.25%**	4.50%	3.75%	253,340,979	10,217,477	-	-	49,964	776.3%
2037	**4.25%**	4.50%	3.75%	253,508,338	8,615,109	-	-	4,481	1,000.0%+
2038	**4.25%**	4.50%	3.75%	255,305,863	6,415,100	-	-	-	1,000.0%+
2039	**4.25%**	4.50%	3.75%	259,468,620	4,560,759	-	-	-	1,000.0%+
2040	**4.25%**	4.50%	3.75%	265,741,445	3,002,016	-	-	-	1,000.0%+
2041	**4.25%**	4.50%	3.75%	273,905,854	1,526,135	-	-	-	1,000.0%+
2042	**4.25%**	4.50%	3.75%	283,955,857	565,589	-	-	-	1,000.0%+
2043	**4.25%**	4.50%	3.75%	295,434,355	6,402	-	-	-	1,000.0%+
2044	**4.25%**	4.50%	3.75%	307,983,641	3,183	-	-	-	1,000.0%+
2045	**4.25%**	4.50%	3.75%	321,069,627	3,183	-	-	-	1,000.0%+

** Beginning/End of year (Fiscal).*

Nevada Prepaid Tuition Program

Projection Based on June 30, 2019 Tuition Increases +100 Basis Points & Investment Return -100 Basis Points

Input	
Valuation	
Assumed Rate of Investment Return	4.25%

Estimated Valuation Results	
Present Value of Future Tuition and Fees	$236,143,296
Present Value of Future Contract Payments	$ 39,925,451
June 30, 2019 Actuarial Value of Assets	$287,753,627
Unfunded Liability	$ (91,535,782)
Funded Status	138.8%
Year Insolvent	Never

Fiscal Year Ending June 30,	Actual Investment Return During Year	Actual Tuition Increase for Universities	Actual Tuition Increase for Comm. Colleges/CC	Actuarial Value of Assets (BOY*)	Projected Tuition Payments & Refunds (Discounted to BOY*)	Other Payments	Additional Transfers from NCSTF (EOY*)	Projected Contract Payments (Discounted to BOY*)	Projected Funded Status
2020	**4.25%**	n/a	n/a	$ 287,753,627	$ 18,424,983	$ -	-	$ 8,907,585	138.8%
2021	**4.25%**	4.00%	4.00%	294,353,655	19,092,030	-	-	7,488,950	143.9%
2022	**4.25%**	2.80%	2.80%	299,799,250	19,348,674	-	-	6,219,038	150.3%
2023	**4.25%**	2.80%	2.80%	301,634,191	19,329,299	-	-	5,057,338	156.6%
2024	**4.25%**	**5.50%**	**4.75%**	300,492,166	19,295,661	-	-	3,963,648	162.9%
2025	**4.25%**	**5.50%**	**4.75%**	297,279,460	19,569,189	-	-	3,061,275	169.8%
2026	**4.25%**	**5.50%**	**4.75%**	292,704,337	19,874,023	-	-	2,519,149	178.2%
2027	**4.25%**	**5.50%**	**4.75%**	287,051,816	19,649,234	-	-	2,113,821	188.6%
2028	**4.25%**	**5.50%**	**4.75%**	280,970,851	19,250,398	-	-	1,773,351	201.3%
2029	**4.25%**	**5.50%**	**4.75%**	274,692,291	18,447,708	-	-	1,432,870	217.2%
2030	**4.25%**	**5.50%**	**4.75%**	268,628,745	17,942,110	-	-	1,031,700	236.8%
2031	**4.25%**	**5.50%**	**4.75%**	262,416,364	17,296,570	-	-	773,998	262.2%
2032	**4.25%**	**5.50%**	**4.75%**	256,344,278	16,186,193	-	-	571,771	295.7%
2033	**4.25%**	**5.50%**	**4.75%**	250,960,875	15,401,148	-	-	410,937	340.4%
2034	**4.25%**	**5.50%**	**4.75%**	245,999,417	14,002,384	-	-	276,810	403.6%
2035	**4.25%**	**5.50%**	**4.75%**	242,145,481	13,095,261	-	-	129,328	493.9%
2036	**4.25%**	**5.50%**	**4.75%**	238,919,680	11,562,349	-	-	49,964	637.2%
2037	**4.25%**	**5.50%**	**4.75%**	237,072,105	9,844,002	-	-	4,481	876.7%
2038	**4.25%**	**5.50%**	**4.75%**	236,889,969	7,400,423	-	-	-	1,000.0%+
2039	**4.25%**	**5.50%**	**4.75%**	239,242,852	5,311,584	-	-	-	1,000.0%+
2040	**4.25%**	**5.50%**	**4.75%**	243,873,346	3,529,660	-	-	-	1,000.0%+
2041	**4.25%**	**5.50%**	**4.75%**	250,558,293	1,811,546	-	-	-	1,000.0%+
2042	**4.25%**	**5.50%**	**4.75%**	259,318,484	677,789	-	-	-	1,000.0%+
2043	**4.25%**	**5.50%**	**4.75%**	269,632,925	7,672	-	-	-	1,000.0%+
2044	**4.25%**	**5.50%**	**4.75%**	281,084,326	3,815	-	-	-	1,000.0%+
2045	**4.25%**	**5.50%**	**4.75%**	293,026,433	3,815	-	-	-	1,000.0%+

** Beginning/End of year (Fiscal).*

Nevada Prepaid Tuition Program

Projection Based on June 30, 2019 Tuition Increases -100 Basis Points & Investment Return +100 Basis Points

Input	
Valuation	
Assumed Rate of Investment Return	6.25%

Estimated Valuation Results	
Present Value of Future Tuition and Fees	$190,348,624
Present Value of Future Contract Payments	$ 37,365,574
June 30, 2019 Actuarial Value of Assets	$287,753,627
Unfunded Liability	$(134,770,577)
Funded Status	170.8%
Year Insolvent	Never

Fiscal Year Ending June 30,	Actual Investment Return During Year	Actual Tuition Increase for Universities	Actual Tuition Increase for Comm. Colleges/CC	Actuarial Value of Assets (BOY*)	Projected Tuition Payments & Refunds (Discounted to BOY*)	Other Payments	Additional Transfers from NCSTF (EOY*)	Projected Contract Payments (Discounted to BOY*)	Projected Funded Status
2020	**6.25%**	n/a	n/a	$ 287,753,627	$ 18,277,549	$ -	-	$ 8,823,351	170.8%
2021	**6.25%**	4.00%	4.00%	299,985,529	18,939,958	-	-	7,418,131	180.7%
2022	**6.25%**	2.80%	2.80%	311,524,461	19,194,804	-	-	6,160,228	192.9%
2023	**6.25%**	2.80%	2.80%	319,926,621	19,175,897	-	-	5,009,514	206.1%
2024	**6.25%**	**3.50%**	**2.75%**	325,787,292	18,798,071	-	-	3,926,166	220.7%
2025	**6.25%**	**3.50%**	**2.75%**	330,347,599	18,711,354	-	-	3,032,326	237.4%
2026	**6.25%**	**3.50%**	**2.75%**	334,335,357	18,646,110	-	-	2,495,327	257.9%
2027	**6.25%**	**3.50%**	**2.75%**	338,071,110	18,088,507	-	-	2,093,832	283.5%
2028	**6.25%**	**3.50%**	**2.75%**	342,206,212	17,386,587	-	-	1,756,581	315.5%
2029	**6.25%**	**3.50%**	**2.75%**	346,987,220	16,347,062	-	-	1,419,320	355.8%
2030	**6.25%**	**3.50%**	**2.75%**	352,813,196	15,596,600	-	-	1,021,944	406.6%
2031	**6.25%**	**3.50%**	**2.75%**	359,378,449	14,748,811	-	-	766,678	473.1%
2032	**6.25%**	**3.50%**	**2.75%**	366,983,586	13,538,497	-	-	566,364	562.4%
2033	**6.25%**	**3.50%**	**2.75%**	376,137,170	12,635,016	-	-	407,051	682.9%
2034	**6.25%**	**3.50%**	**2.75%**	386,653,530	11,267,745	-	-	274,192	856.0%
2035	**6.25%**	**3.50%**	**2.75%**	399,138,725	10,333,406	-	-	128,105	1,000.0%+
2036	**6.25%**	**3.50%**	**2.75%**	413,241,763	8,947,752	-	-	49,491	1,000.0%+
2037	**6.25%**	**3.50%**	**2.75%**	429,614,971	7,470,913	-	-	4,439	1,000.0%+
2038	**6.25%**	**3.50%**	**2.75%**	448,532,779	5,509,767	-	-	-	1,000.0%+
2039	**6.25%**	**3.50%**	**2.75%**	470,711,951	3,879,657	-	-	-	1,000.0%+
2040	**6.25%**	**3.50%**	**2.75%**	496,009,312	2,529,279	-	-	-	1,000.0%+
2041	**6.25%**	**3.50%**	**2.75%**	524,322,535	1,273,503	-	-	-	1,000.0%+
2042	**6.25%**	**3.50%**	**2.75%**	555,739,597	467,445	-	-	-	1,000.0%+
2043	**6.25%**	**3.50%**	**2.75%**	589,976,661	5,291	-	-	-	1,000.0%+
2044	**6.25%**	**3.50%**	**2.75%**	626,844,581	2,631	-	-	-	1,000.0%+
2045	**6.25%**	**3.50%**	**2.75%**	666,019,572	2,631	-	-	-	1,000.0%+

** Beginning/End of year (Fiscal).*

Nevada Prepaid Tuition Program

Projection Based on June 30, 2019 Tuition Increases +25 Basis Points & Investment Return +50 Basis Points

Input	
Valuation	
Assumed Rate of Investment Return	5.75%

Estimated Valuation Results	
Present Value of Future Tuition and Fees	$206,159,709
Present Value of Future Contract Payments	$ 37,973,353
June 30, 2019 Actuarial Value of Assets	$287,753,627
Unfunded Liability	$(119,567,271)
Funded Status	158.0%
Year Insolvent	Never

Fiscal Year Ending June 30,	Actual Investment Return During Year	Actual Tuition Increase for Universities	Actual Tuition Increase for Comm. Colleges/CC	Actuarial Value of Assets (BOY*)	Projected Tuition Payments & Refunds (Discounted to BOY*)	Other Payments	Additional Transfers from NCSTF (EOY*)	Projected Contract Payments (Discounted to BOY*)	Projected Funded Status
2020	**5.75%**	n/a	n/a	$ 287,753,627	$ 18,314,011	$ -	-	$ 8,844,185	158.0%
2021	**5.75%**	4.00%	4.00%	298,577,506	18,977,566	-	-	7,435,647	165.8%
2022	**5.75%**	2.80%	2.80%	308,571,910	19,232,857	-	-	6,174,774	175.4%
2023	**5.75%**	2.80%	2.80%	315,286,990	19,213,834	-	-	5,021,343	185.4%
2024	**5.75%**	**4.75%**	**4.00%**	319,324,472	19,051,045	-	-	3,935,437	196.2%
2025	**5.75%**	**4.75%**	**4.00%**	321,700,874	19,186,994	-	-	3,039,487	208.2%
2026	**5.75%**	**4.75%**	**4.00%**	323,122,685	19,348,741	-	-	2,501,219	223.0%
2027	**5.75%**	**4.75%**	**4.00%**	323,885,985	18,994,954	-	-	2,098,776	241.3%
2028	**5.75%**	**4.75%**	**4.00%**	324,641,721	18,477,534	-	-	1,760,729	263.9%
2029	**5.75%**	**4.75%**	**4.00%**	325,630,599	17,581,655	-	-	1,422,672	292.3%
2030	**5.75%**	**4.75%**	**4.00%**	327,266,234	16,977,786	-	-	1,024,357	327.8%
2031	**5.75%**	**4.75%**	**4.00%**	329,213,291	16,249,918	-	-	768,489	374.0%
2032	**5.75%**	**4.75%**	**4.00%**	331,771,443	15,097,861	-	-	567,702	435.6%
2033	**5.75%**	**4.75%**	**4.00%**	335,482,658	14,262,396	-	-	408,012	518.1%
2034	**5.75%**	**4.75%**	**4.00%**	340,121,900	12,874,064	-	-	274,840	635.9%
2035	**5.75%**	**4.75%**	**4.00%**	346,355,229	11,952,584	-	-	128,408	805.5%
2036	**5.75%**	**4.75%**	**4.00%**	353,766,589	10,477,159	-	-	49,608	1,000.0%+
2037	**5.75%**	**4.75%**	**4.00%**	363,081,032	8,855,603	-	-	4,449	1,000.0%+
2038	**5.75%**	**4.75%**	**4.00%**	374,598,097	6,609,981	-	-	-	1,000.0%+
2039	**5.75%**	**4.75%**	**4.00%**	389,147,433	4,710,544	-	-	-	1,000.0%+
2040	**5.75%**	**4.75%**	**4.00%**	406,542,010	3,108,021	-	-	-	1,000.0%+
2041	**5.75%**	**4.75%**	**4.00%**	426,631,443	1,583,804	-	-	-	1,000.0%+
2042	**5.75%**	**4.75%**	**4.00%**	449,487,878	588,366	-	-	-	1,000.0%+
2043	**5.75%**	**4.75%**	**4.00%**	474,711,234	6,660	-	-	-	1,000.0%+
2044	**5.75%**	**4.75%**	**4.00%**	502,000,088	3,312	-	-	-	1,000.0%+
2045	**5.75%**	**4.75%**	**4.00%**	530,861,590	3,312	-	-	-	1,000.0%+

** Beginning/End of year (Fiscal).*

APPENDIX B- INDEPENDENT AUDITOR’S REPORT

Financial Statements
June 30, 2019 and 2018

State of Nevada
Office of the State Treasurer
Higher Education Tuition Trust Fund

EideBailly

eidebailly.com

Independent Auditor's Report

To the Board of Trustees
Nevada College Savings Plan Board
Carson City, Nevada

Report on the Financial Statements
We have audited the accompanying financial statements of the State of Nevada, Office of the State Treasurer, Higher Education Tuition Trust Fund (the Trust Fund), an enterprise fund of the State of Nevada, which comprise the statements of net position as of June 30, 2019 and 2018, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

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

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Trust Fund, as of June 30, 2019 and 2018, and the changes in financial position and cash flows, thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter
As discussed in Note 1, the financial statements present only the Trust Fund and do not purport to, and do not, present fairly the financial position of the State of Nevada, as of June 30, 2019 and 2018, the changes in its financial position, or, where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As described in Note 3 to the financial statements, the Trust Fund has restated the fair value measurement disclosure to correct an error in the classification of certain investments from Level 1 to Level 2. Our opinion is not modified with respect to this matter.

<u>Other Matters</u>

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-6, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2020, on our consideration of the Trust Fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Trust Fund's internal control over financial reporting and compliance.

Eide Bailly LLP

Reno, Nevada
February 18, 2020

As management of the State of Nevada, Office of the State Treasurer, Higher Education Tuition Trust Fund (the Trust Fund), we offer readers of the Trust Fund's financial statements this narrative overview and analysis of the financial activities of the Trust Fund for the fiscal years (FY) ended June 30, 2019 and 2018.

FINANCIAL HIGHLIGHTS

The Trust Fund's financial position continued to significantly improve in fiscal year 2019.

- The Trust Fund's total assets and deferred outflows increased from $321,527,065 in FY18 to $339,535,243 in FY19, an increase of $18,008,178. This represents an increase of 6% from the prior fiscal year. These assets are used to pay tuition benefits on behalf of contracts purchased.

- The Trust Fund's total assets and deferred outflows increased from $299,281,577 in FY17 to $321,527,065 in FY18, an increase of $22,245,488. This represents an increase of 7% from the prior fiscal year. These assets are used to pay tuition benefits on behalf of contracts purchased.

- The Trust Fund's total net position in FY19 was $127,746,725, which is an increase of $24,680,727 from FY18. The growth is primarily due to strong investment performance.

- The Trust Fund's total net position in FY18 was $103,065,998, which is an increase of $25,313,093 from FY17. The growth is primarily due to strong investment performance.

- The Trust Fund's certified actuary reported that the funded status of the Prepaid Tuition Plan (the Plan) as of June 30, 2019 was 154.6%, utilizing a rate of return on actuarial value of assets of 6.4% per year (160.5% if the market value of assets was used). This is an increase from the funded status of 142.0% as of June 30, 2018, and the funded status of 132.7% as of June 30, 2017, and continues to be one of the highest funding ratios nationwide for a state prepaid tuition plan.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Trust Fund's annual report. The Trust Fund's financial report consists of: Management's Discussion and Analysis (MD&A), Basic Financial Statements including Notes to the Financial Statements and a Compliance Section.

REQUIRED FINANCIAL STATEMENTS

The financial statements of the Trust Fund report information about the Trust Fund, which is considered an enterprise fund (proprietary fund type). Proprietary funds use the full accrual basis of accounting, similar to that used by private sector companies. Under this method, revenues are recorded when earned and expenses are recorded at the time a liability is incurred. The Statement of Net Position includes all of the Trust Fund's assets and deferred outflows and liabilities and deferred inflows and provides information about the nature and amount of its resources and the obligations to contract holders. All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This Statement measures the success of the Trust Fund's operations over the past year, and can be used to determine whether the Trust Fund has successfully met all of its costs through its tuition contributions, along with other fees and charges for sales and services. The final statement is the Statement of Cash Flows, which is used to provide information about the Trust Fund's cash receipts, cash payments and net changes in cash resulting from operating, investing and financing activities.

NET POSITION

Net position may serve over time as a useful indicator of financial position. In the case of the Trust Fund, the Trust Fund's position increased significantly, 24%, ending with net position of $127,746,725.

The vast majority of the Trust Fund's assets, 86%, are its investments. The Trust Fund uses these assets to pay future tuition benefits for contracts purchased.

Higher Education Tuition Trust Fund Net Position

	2019	2018	2017
Assets			
Current and other assets	$ 339,433,218	$ 321,411,717	$ 299,161,095
Net capital assets	40,008	56,706	73,405
Total Assets	339,473,226	321,468,423	299,234,500
Deferred Outflows			
Pension related	58,126	55,017	47,077
OPEB related	3,891	3,625	-
Liabilities			
Current liabilities	18,552,603	17,689,218	19,297,822
Noncurrent liabilities	193,203,965	200,738,842	202,209,112
Total Liabilities	211,756,568	218,428,060	221,506,934
Deferred Inflows			
Pension related	23,596	25,413	21,738
OPEB related	8,354	7,594	-
Net Position			
Net investment in capital assets	40,008	56,706	73,405
Unrestricted	123,189,702	103,009,292	77,679,500
Total Net Position	$ 127,746,725	$ 103,065,998	$ 77,752,905

The Trust Fund's net position continued to grow in FY 2019, for the seventh year in a row. The net position increased from $103,065,998 in FY 2018 to $127,746,725 in FY 2019, an increase of $24,680,727 or 24% over the prior fiscal year. This increase is primarily due to an increase in investment performance.

CHANGE IN NET POSITION

Higher Education Tuition Trust Fund Change in Net Position

	2019	2018	2017
Operating Revenues			
Tuition contributions and other revenues	$ 13,791,772	$ 13,934,152	$ 17,932,464
Operating Expenses			
Operating expenses before depreciation	8,027,796	11,275,605	23,356,058
Depreciation	16,698	16,698	16,698
Total Operating Expenses	8,044,494	11,292,303	23,372,756
Operating Income (Loss)	5,747,278	2,641,849	(5,440,292)
Nonoperating revenues and interest income	18,263,467	21,987,460	23,502,640
Contribution - State of Nevada College Savings Endowment Account	669,982	683,784	627,175
Change in Net Position	24,680,727	25,313,093	18,689,523
Net Position, July 1	103,065,998	77,752,905	59,063,382
Net Position, June 30	$ 127,746,725	$ 103,065,998	$ 77,752,905

Tuition contributions and revenues in FY 2019 decreased to $13,791,772. The 1% decrease is attributable to a decrease in the total number of contracts sold in FY 2019, with more of them being paid in full, as well as a lower number of 4-year university plans being purchased overall. Operating expenses for the Plan primarily consist of future tuition benefits, which are calculated to be $4,679,863 on an accrued basis. Total operating expenses decreased by roughly 29% from $11,292,303 in FY 2018 to $8,044,494 in FY 2019. This is mainly due to the decrease in tuition benefits expense which resulted from a reduction in the tuition benefits payable accrual. Actuarial assumption changes were based on a Nevada Prepaid Tuition actuarial experience study performed in FY 2019, which resulted in a reduction in the overall actuarial liabilities.

The operating income (loss) above reflects the difference between contributions from new and existing participants on a cash basis versus benefit payments to educational institutions, which fulfills the purpose of the Plan, and other sundry costs. In addition, in FY 2019, the change in the actuarial accruals had a positive impact on the net position. This is shown in the increase in the operating income (loss) from $2,641,849 in FY 2018 to $5,747,278 in FY 2019.

CAPITAL ASSET ADMINISTRATION

The Trust Fund's investment in capital assets as of June 30, 2019, amounts to $40,008 (net of accumulated depreciation), which consists of computer equipment. Information about the Trust Fund's capital assets can be found in Note 4 to the Trust Fund's financial statements.

ECONOMIC FACTORS AND CURRENTLY KNOWN FACTS

Aside from account owners' purchases of contracts, the primary source of revenue for the Plan is investment income. The target investment allocation includes domestic public equities of 50%, domestic fixed income securities of 30%, and domestic covered calls of 20%. The Plan continues to invest in an equity portfolio with passively managed large, mid, and small cap U.S. equity mutual funds at Vanguard, a fixed income portfolio with Chicago Equity Partners and a passively managed covered calls mutual fund with Glenmede. The rate of return on a market value basis was 6.41% while the rate of return on the actuarial value of assets for year ended June 30, 2019 was 6.38%.

Based on a price inflation rate of 1.75% and revised 5-year capital market expectations for those asset classes, the Board-approved the assumed rate of return of the Plan's investments is 5.25% based on analyses from its investment consultant. This assumed rate was used by the Board's actuary in computing the Plan's funded status of 154.6%. The Plan's investments are intended to provide broad exposure to the U.S. equities and investment-grade fixed income markets. Therefore, projected returns are subject to actual market activity and volatility in the markets.

The College Savings Endowment Account continues to transfer funds to the Trust Fund to cover administrative costs of the State Treasurer's Office to administer and manage the Prepaid Tuition Plan.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of the Trust Fund's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the State of Nevada Treasurer's Office, Nevada Prepaid Tuition Program, 555 E. Washington Ave., Suite 4600, Las Vegas, NV 89101.

Statements of Net Position
June 30, 2019 and 2018

	2019	2018
Assets		
Current assets		
Cash and cash equivalents	$ 7,949,934	$ 5,532,834
Investment income receivable	388,108	372,605
Prepaid items	116	-
Due from State of Nevada	74,340	38,878
Tuition contributions receivable, current portion	8,865,168	9,233,936
Investments, current portion	292,418,805	274,695,628
Total current assets	309,696,471	289,873,881
Noncurrent assets		
Capital assets, net	40,008	56,706
Other noncurrent assets		
Tuition contributions receivable	29,736,747	31,537,836
Total noncurrent assets	29,776,755	31,594,542
Total assets	339,473,226	321,468,423
Deferred outflows of resources		
Pension related	58,126	55,017
OPEB related	3,891	3,625
Total deferred outflows	62,017	58,642
Total assets and deferred outflows	339,535,243	321,527,065
Liabilities		
Current liabilities		
Accounts payable	139,077	111,106
Accrued salaries and benefits	28,729	24,860
Due to State of Nevada	32,110	43,250
Due to other governments	1,952	968
Tuition benefits payable, current portion	18,350,735	17,509,034
Total current liabilities	18,552,603	17,689,218
Noncurrent liabilities		
Tuition benefits payable	192,754,039	200,282,612
Net pension liability	325,340	334,217
Net OPEB liability	124,586	122,013
Total noncurrent liabilities	193,203,965	200,738,842
Total liabilities	211,756,568	218,428,060
Deferred inflows of resources		
Pension related	23,596	25,413
OPEB related	8,354	7,594
Total deferred inflows	31,950	33,007
Total liabilities and deferred inflows	211,788,518	218,461,067
Net Position		
Net investment in capital assets	40,008	56,706
Unrestricted	127,706,717	103,009,292
Total net position	$ 127,746,725	$ 103,065,998

See Notes to Financial Statements

	2019	2018
Operating Revenues		
Charges for sales and services	$ 92,600	$ 104,300
Tuition contributions	13,699,172	13,829,852
Total operating revenues	13,791,772	13,934,152
Operating Expenses		
Personnel costs	201,995	388,880
Contract and other administrative services	624,640	643,043
Tuition benefits expense	4,679,863	7,919,635
Refunds	2,521,298	2,324,047
Depreciation	16,698	16,698
Total operating expenses	8,044,494	11,292,303
Operating Income	5,747,278	2,641,849
Nonoperating Revenues		
Interest, dividends and other investment income	5,162,880	4,283,232
Net increase in fair value of investments	13,100,587	17,704,228
Contribution from the State of Nevada General Fund - College Savings Endowment Account	669,982	683,784
Total nonoperating revenues	18,933,449	22,671,244
Change in Net Position	24,680,727	25,313,093
Net Position, Beginning of Year	103,065,998	77,752,905
Net Position, End of Year	$ 127,746,725	$ 103,065,998

Statements of Cash Flows
Years Ended June 30, 2019 and 2018

	2019	2018
Operating Activities		
Receipts for sales and services	$ 92,600	$ 104,300
Tuition contributions received	15,869,029	16,267,179
Payments to suppliers for good and services	(642,287)	(615,772)
Payments to employees	(208,978)	(207,895)
Payments for tuition benefits	(11,366,735)	(11,227,210)
Payments of refunds	(2,521,298)	(2,324,047)
Net Cash from Operating Activities	1,222,331	1,996,555
Noncapital Financing Activities		
Contribution from the State of Nevada General Fund - College Savings Endowment Account	669,982	683,784
Investing Activities		
Proceeds from sales or maturities of investments	29,282,179	72,166,638
Purchase of investments	(33,904,769)	(78,237,023)
Interest, dividends and other investment income received	5,147,377	4,203,162
Net Cash from (used for) Investing Activities	524,787	(1,867,223)
Net Change in Cash and Cash Equivalents	2,417,100	813,116
Cash and Cash Equivalents, Beginning of Year	5,532,834	4,719,718
Cash and Cash Equivalents, End of Year	$ 7,949,934	$ 5,532,834

	2019	2018
Reconciliation of operating income to net cash from operating activities		
Operating income	$ 5,747,278	$ 2,641,849
Adjustments to reconcile operating income to net cash from operating activities		
Depreciation	16,698	16,698
Changes in		
Due from State of Nevada	(35,462)	(20,148)
Tuition contributions receivable	2,169,857	2,437,326
Accounts payable and accrued liabilities	31,840	33,144
Due to State of Nevada	(11,140)	9,710
Due to other governments	984	351
Net pension liability	(8,877)	63,483
Net OBEP liability	2,573	122,013
PERS deferred outflows of resources	(3,375)	(11,565)
PERS deferred inflows of resources	(1,057)	11,269
Tuition benefits payable	(6,686,872)	(3,307,575)
Net Cash from Operating Activities	$ 1,222,331	$ 1,996,555
Noncash Investing Activities		
Net increase in fair value of investments	$ 13,100,587	$ 17,704,228

Note 1 - Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the State of Nevada, Office of the State Treasurer, Higher Education Tuition Trust Fund (the Trust Fund) have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity and Purpose

The Trust Fund operates under Nevada Revised Statutes (NRS) 353B, Prepayment of Tuition at Institutions of Higher Learning, which was adopted by the Nevada Legislature in 1997. The Trust Fund is administered by the Office of the State Treasurer under the direction of a six-member Board, with five voting members and one ex-officio nonvoting Treasurer designee (the Board).

The purpose of the Trust Fund's program is to provide a simple and convenient way for Nevada families to save for a college education through the advance payment of tuition. A purchaser enters into a contract for the future payment of tuition for a specified beneficiary. When the beneficiary enrolls in college, the program will pay the contract benefits. The beneficiary has six years after the projected college entrance date to utilize the benefits of the contract. Exceptions are granted for military or religious service. The contract benefits are based on in-state rates for Nevada public colleges, but can be used towards costs at any accredited, nonprofit, private or out-of-state college.

The Trust Fund completed its twenty-first enrollment period on April 30, 2019 with 669 new enrollments. The Trust Fund also had 805 removed contracts for a total active enrollment of 12,305 at June 30, 2019. The Trust Fund had a total active enrollment of 12,441 of contracts at June 30, 2018.

The Trust Fund completed its twentieth enrollment period on April 30, 2018 with 774 new enrollments. The Trust Fund also had 666 removed contracts for a total active enrollment of 12,441 at June 30, 2018.

Measurement Focus and Basis of Accounting

The Trust Fund is an enterprise fund (proprietary fund type) of the State of Nevada and thus is included in the State of Nevada's Comprehensive Annual Financial Report. The accompanying financial statements present only the Trust Fund and are not intended to present fairly the financial position of the State of Nevada, the changes in its financial position or its cash flows in conformity with GAAP.

Activities of enterprise funds resemble activities of business enterprises; the purpose is to obtain and use economic resources to meet operating objectives. The financial statements for the Trust Fund are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recognized at the time they are earned and expenses are recognized when the related liabilities are incurred.

A proprietary fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from exchange transactions such as providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses. The generally accepted accounting principles applicable are those similar to business in the private sector.

Cash and Cash Equivalents

Cash and cash equivalents include short-term highly liquid investments (with maturities of three months or less when purchased) that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes of value. Such amounts include the Trust Fund's cash pooled with the State Treasurer and money market mutual funds.

Custodian and Transfer Agent

BNY Mellon is the custodian and transfer agent for certain Trust Fund investments.

Revenue Recognition

Contributions are recognized over the course of the contract as the payments progress.

Investment Valuation and Income Recognition

Investments are reported at fair value as determined by quoted or observable market prices. Fair value is the price that would be required to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The investments are marked to market daily.

Security transactions are accounted for on the trade date (date order to buy or sell is executed). Interest income is determined on an accrual basis with discounts earned and premiums paid being amortized. Dividends are recorded on the ex-dividend date.

Tuition Contributions Receivable

Tuition contributions receivable in the Trust Fund represents the actuarially determined present value of future installment payments anticipated from contract holders.

Capital Assets

Capital assets are recorded at cost and consist of assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Capital assets are depreciated on a straight-line basis over estimated useful lives of four to ten years. The cost of repairs and maintenance that do not materially extend the life of an asset are not capitalized.

Tuition Benefits Payable

The Trust Fund records tuition benefits payable at the actuarial present value of its future tuition obligation, which is adjusted for the effects of projected tuition and fee increases and termination of contracts.

Net Position Classifications

In the financial statements, net position is classified and displayed in three components:

1. Net investment in capital assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets after adding back the unspent portion of these borrowings.
2. Restricted net position – Consists of net position with constraints placed on their use either by (a) external groups such as creditors (including bond covenants), grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
3. Unrestricted net position – Net position that does not meet the definition of “restricted” or “net investment in capital assets”.

Note 2 - Stewardship and Compliance

Compliance with Nevada Revised Statutes and Administrative Code

The Trust Fund conformed to all significant statutory constraints on its financial administration during the year.

Note 3 - Cash, Cash Equivalents, and Investments

Cash and Cash Equivalents

Of the $7,949,934 and $5,532,834 cash and cash equivalents at June 30, 2019 and 2018, respectively, $7,672,086 and $5,428,152 represents the Trust Fund’s investment in the State of Nevada's external investment pool.

The Trust Fund is an internal participant in the external investment pool maintained by the Treasurer of the State of Nevada. The external investment pool is not registered with the SEC as an investment company. The State of Nevada has not provided or obtained any legally binding guarantees during the period to support the value of the shares.

The Trust Fund receives a prorated share of the earnings from its participation in the investment pool based on daily cash balances. Due to the nature of the investment pool, it is not possible to separately identify any specific investment as being that of the Trust Fund. Instead, the Trust Fund owns a proportionate share of each investment, based on the Trust Fund’s participation percentage in the investment pool.

Investments

The State Treasurer serves as the administrator to the Trust Fund. The Trust Fund's assets are managed in accordance with the Trust Fund's investment objectives and policies, as provided in NRS 353B.160.1. Authorized investments are as follows:

- A bond, note, debenture or other valid obligation that is issued by the Treasury of the United States, or other security that is issued by an agency or instrumentality of the United States or that is fully guaranteed by the United States in the Federal Farm Credit Bank, the Federal National Mortgage Association, the Federal Home Loan Bank, the Federal Home Loan Mortgage Corporation, or the Government National Mortgage Association;
- A mortgage-backed security that is issued by the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, or the Government National Mortgage Association;
- "AAA" rated collateralized mortgage obligations that are issued by the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, or the Government National Mortgage Association;
- A bond, note, certificate or other general obligation of the State of Nevada, or of a county, city, general improvement district or school district of the State of Nevada;
- "A" or better rated corporate bonds of a corporation created by or existing under the laws of the United States or of a state, district or territory of the United States. The total amount invested in such bonds must not exceed 50% of the book value of the total fixed income investments;
- "A-1", "P-1", "F-1" or better rated commercial paper;
- "AAA" rated commercial mortgage-backed securities;
- "AAA" rated asset-backed securities financing credit cards, auto, manufactured housing, or student loans; "A" rated money-market mutual funds that meet the criteria set forth in statute. The total dollar amount invested in such mutual funds must not exceed 20% of the total dollar amount of the Trust Fund that is invested;
- A covered call or put option on securities that are traded on one or more of the regulated exchanges in the United States;
- A pooled or commingled real estate fund or a real estate security that is managed by a corporate trustee or by an investment advisory firm that is registered with the Securities and Exchange Commission. The total book value of this type of investment must not at any time be greater than 5% of the total book value of all investments of the Trust Fund;
- Common or preferred stock of corporations that have a total market value of not less than $50,000,000. The maximum investment in stock is no greater than 60% of the book value of the total investments of the Trust Fund. Except for investments made pursuant to the final authorized investment below, the total amount invested in a single corporation is not greater than 3% of the total assets of the Trust Fund and not greater than 5% of the outstanding stock of a single corporation; and
- Mutual funds or common trust funds that consist of any combination of the investments listed above.

The Trust Fund categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Trust Fund does not have any investments that are measured using Level 3 inputs.

As of June 30, 2019, the Trust Fund had the following investments and level inputs:

		Fair Value Measurements Using		
	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Investments				
Mutual funds				
Index funds	$ 152,756,019	$ 152,756,019	$ -	$ -
Covered calls	58,574,069	58,574,069	-	-
U.S. Treasury notes	45,954,683	45,954,683	-	-
U.S. agencies	31,844,938	-	31,844,938	-
Corporate notes	3,289,096	-	3,289,096	-
	$ 292,418,805	$ 257,284,771	$ 35,134,034	$ -

As of June 30, 2018, the Trust Fund had the following investments and level inputs:

		Fair Value Measurements Using		
	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Investments				
Mutual funds				
Index funds	$ 141,573,040	$ 141,573,040	$ -	$ -
Covered calls	57,144,243	57,144,243	-	-
U.S. Treasury notes	40,275,459	40,275,459	-	-
U.S. agencies	31,694,437	-	31,694,437	-
Corporate notes	4,008,449	-	4,008,449	-
	$ 274,695,628	$ 238,992,742	$ 35,702,886	$ -

The fair value measurement disclosure has been restated as of June 30, 2018 to correct investments (U.S. agencies and Corporate notes) previously classified as Level 1 to be classified as Level 2.

Investments categorized as Level 1 are valued using prices quoted in active markets for those investments. Investments categorized as Level 2 are valued at fair value based on the observable market prices of the underlying assets held by the pool or fund less liabilities.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Trust Fund's investment policies address interest rate risk by providing for an asset allocation plan that gives appropriate consideration to an average investment horizon of 3 to 18 years, while taking into consideration current and near-term liquidity needs.

As of June 30, 2019, the Trust Fund had the following investments and maturities that are subject to interest rate risk:

		Maturities, in Years			
	Fair Value	Less Than 1	1-5	6-10	Greater Than 10
Investments					
Corporate notes	$ 3,289,096	$ 474,232	$ 2,345,358	$ 210,871	$ 258,635
U.S. agencies	31,844,938	-	1,693,940	1,564,202	28,586,796
U.S. Treasury notes	45,954,683	-	27,243,148	10,188,314	8,523,221
	$ 81,088,717	$ 474,232	$ 31,282,446	$ 11,963,387	$ 37,368,652

As of June 30, 2018, the Trust Fund had the following investments and maturities that are subject to interest rate risk:

		Maturities, in Years			
	Fair Value	Less Than 1	1-5	6-10	Greater Than 10
Investments					
Corporate notes	$ 4,008,449	$ 822,554	$ 2,748,218	$ 196,579	$ 241,098
U.S. agencies	31,694,437	-	1,417,398	1,178,939	29,098,100
U.S. Treasury notes	40,275,459	-	24,597,726	8,763,902	6,913,831
	$ 75,978,345	$ 822,554	$ 28,763,342	$ 10,139,420	$ 36,253,029

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the Trust Fund. At June 30, 2019, the Trust Fund's investments were rated by Standard and Poor's and/or an equivalent national rating organization, and the ratings are presented below using the Standard & Poor's rating scale (at fair value) as of:

		Credit Quality Ratings				
	Fair Value	AAA	AA	A	BBB	Unrated
Investments						
Corporate notes	$ 3,289,096	$ -	$ 1,247,881	$ 1,749,880	$ 291,335	$ -
U.S. agencies	31,844,938	-	31,550,743	-	-	294,195
	$ 35,134,034	$ -	$ 32,798,624	$ 1,749,880	$ 291,335	$ 294,195

At June 30, 2018, the Trust Fund's investments were rated by Standard and Poor's and/or an equivalent national rating organization, and the ratings are presented below using the Standard & Poor's rating scale (at fair value) as of:

		Credit Quality Ratings			
	Fair Value	AAA	AA	A	BBB
Investments					
Corporate notes	$ 4,008,449	$ 95,108	$ 1,263,840	$ 2,362,946	$ 286,555
U.S. agencies	31,694,437	-	31,694,437	-	-
	$ 35,702,886	$ 95,108	$ 32,958,277	$ 2,362,946	$ 286,555

The ratings presented above may have differed if an equivalent national rating organization was utilized.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At June 30, 2019, the following investments exceeded 5% of the Trust Fund's total investments:

	Fair Value	Percentage
Federal Home Loan Mortgage Corp - Asset Backed Mortgage Security	$ 20,725,671	7.09%

At June 30, 2018, the following investments exceeded 5% of the Trust Fund's total investments:

	Fair Value	Percentage
Federal Home Loan Mortgage Corp - Asset Backed Mortgage Security	$ 22,469,645	8.18%

Other Risk

The Trust Fund invests in various equity mutual funds, including at June 30, 2019 and 2018, when equity mutual funds comprised approximately 72.27% and 72.31% of total investments. Equity mutual funds are exposed to other risks such as market risks. Due to the level of risk associated with equity mutual funds, it is at least reasonably possible that changes in the values of equity mutual funds will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Note 4 - Capital Assets

The following schedule summarizes the changes in capital assets for the year ended June 30, 2019:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Capital Assets				
Computer equipment	$ 173,374	$ -	$ -	$ 173,374
Less accumulated depreciation	(116,668)	(16,698)	-	(133,366)
Capital Assets, Net	$ 56,706	$ (16,698)	$ -	$ 40,008

The following schedule summarizes the changes in capital assets for the year ended June 30, 2018:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Capital Assets				
Computer equipment	$ 173,374	$ -	$ -	$ 173,374
Less accumulated depreciation	(99,969)	(16,699)	-	(116,668)
Capital Assets, Net	$ 73,405	$ (16,699)	$ -	$ 56,706

Note 5 - Noncurrent Liabilities

Tuition Benefits Payable

Included in noncurrent liabilities is the Trust Fund's tuition benefits obligation based upon the actuarial present value (APV) of the future tuition obligations and administrative expenses. This amount reflects the present value of estimated tuition benefits and administrative expenses that will be paid in future years. The present value calculation includes the effects of projected tuition and fee increases and termination of contracts.

	June 30, 2019	June 30, 2018
APV of the Future Tuition Obligation	$211,104,774	$217,791,646
Net Position Available	338,851,499	320,857,644
Net Position as a Percentage of Tuition Benefits Obligation	160.51%	147.32%

The following assumptions were used in the actuarial valuation for fiscal year 2019:

- Investment Rates: The investment yield assumption is 5.25% per year, which is a different assumption than used in the June 30, 2018 actuarial report.
- Tuition Growth Assumptions:

Fiscal Year Ended	Universities	Community Colleges
2020-2021	4.00%	4.00%
2021-2022	2.80%	2.80%
2022-2023	2.80%	2.80%
2023-2024+	4.50%	3.75%

The following assumptions were used in the actuarial valuation for fiscal year 2018:

- Investment Rates: The investment yield assumption is 5.00% per year, which is the same assumption used in the June 30, 2017 actuarial report.
- Tuition Growth Assumptions:

Fiscal Year Ended	Universities	Community Colleges
2019-2020	4.00%	4.00%
2020-2021	4.00%	4.00%
2021-2022+	4.75%	4.00%

Changes in the Trust Fund's noncurrent liabilities at June 30, 2019:

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019	Due Within One Year
Tuition benefits payable	$ 217,791,646	$ 9,896,645	$ (16,583,517)	$ 211,104,774	$ 18,350,735

Changes in the Trust Fund's noncurrent liabilities at June 30, 2018:

	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018	Due Within One Year
Tuition benefits payable	$ 221,099,221	$ 10,989,195	$ (14,296,770)	$ 217,791,646	$ 17,509,034

Note 6 - Tuition Contributions and Tuition Benefits Expense

The tuition contributions of $13,699,172 and $13,829,852 and the tuition benefits expense of $4,679,863 and $7,919,635 on the Statement of Revenues, Expenses and Changes in Net Position represent the annual accrual of contributions of $(2,169,857) and $(2,437,326) and benefit expenses of $(6,686,872) and $(3,307,575) for the years ended June 30, 2019 and 2018, respectively, as determined by the actuarial valuation and adjusted by the actual participant contributions of $15,869,029 and $16,267,178 and tuition payments of $11,366,735 and $11,227,210 for the fiscal years.

Note 7 - Pension Plan and Other Post-Employment Benefits

Employees of the Trust Fund are employees of the State of Nevada and the Nevada Legislature created various plans to provide benefits to qualified employees of the State.

Pension Plan – The employees participate in a cost-sharing, multiple-employer, defined benefit plan administered by the Public Employees Retirement System of the State of Nevada (PERS). PERS provides retirement benefits, disability benefits, and death benefits, including annual cost of living adjustments, to plan members and their beneficiaries. As the State of Nevada, not the Trust Fund, has overall responsibility for determining contributions to PERS, information relating to PERS is available in the State of Nevada's *Comprehensive Annual Financial Report* for the year ended June 30, 2019 and 2018.

Other Post-Employment Benefits (OPEB) – The employees participate in a cost-sharing, multiple-employer, defined benefit postemployment plan administered by the Public Employees' Benefits Program of the State of Nevada (PEBP). PEBP provides group health and life insurance benefits to plan members, both active and retired, and their dependents. As the State of Nevada, not the Trust Fund, has overall responsibility for determining contributions to PEBP, information relating to PEBP is available in the State of Nevada's *Comprehensive Annual Financial Report* for the year ended June 30, 2019 and 2018.

Note 8 - Risk Management

As with all governmental entities, the Trust Fund is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. Such losses, if any, are accounted for in the State of Nevada's various insurance funds. The Trust Fund is responsible for premium charges payable to the State of Nevada for coverage in the self-funded programs. There have been no material settlements related to the Trust Fund in any of the past three years.

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 Trustees
Higher Education Tuition Trust Fund
Carson City, 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, the financial statements of the State of Nevada, Office of the State Treasurer, Higher Education Tuition Trust Fund (the Trust Fund), an enterprise fund of the State of Nevada, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Trust Fund's basic financial statements and have issued our report thereon dated February 18, 2020.

Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Trust Fund's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Trust Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Trust Fund's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention to 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Trust Fund's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*.

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 Trust Fund'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 Trust Fund's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Reno, Nevada
February 18, 2020

APPENDIX C- MEKETA INVESTMENT GROUP PERFORMANCE REVIEW

Q2 2019

Nevada Prepaid Tuition Plan

Quarterly Report

Introduction

The Nevada Prepaid Tuition Plan Portfolio had an aggregate value of $293.1 million as of June 30, 2019. During the latest quarter, the Total Portfolio increased in value by $9.7 million, and over the past 1-year period the Total Portfolio increased in value by $17.9 million.

Real U.S. GDP increased by 2.1% in the second quarter of 2019. Growth was driven by increases in personal consumption expenditures, federal government spending, and state and local government spending. At quarter-end, the unemployment rate decreased to 3.7%. Commodities were down in the second quarter, and the 1-year return for a basket of commodities was negative at -6.8%. Global equity returns were moderate over the quarter as the MSCI ACWI was up 3.8%.

Asset Allocation Trends

With respect to policy targets, the Total Portfolio ended the latest quarter overweight Equities and underweight Fixed Income while Covered Calls was in line with its policy target. All asset class weights remain within their policy target bands.

Recent Investment Performance

The Total Portfolio underperformed its policy benchmark over the most recent quarter by (16) basis points, net of fees. The portfolio also underperformed its benchmark over the 1-, 3-, and 5-year periods by (66), (40), and (20) basis points, respectively.

Recent Investment Performance

	Quarter	1 Year	3 Year	5 Year
Total Portfolio (Gross of Fees)[3]	3.4	6.6	8.7	7.2
Total Portfolio (Net of Fees)[2]	3.4	6.5	8.6	7.0
Policy Benchmark[1]	*3.6*	*7.2*	*9.0*	*7.2*
Excess Return (Net)	**-0.2**	**-0.7**	**-0.4**	**-0.2**

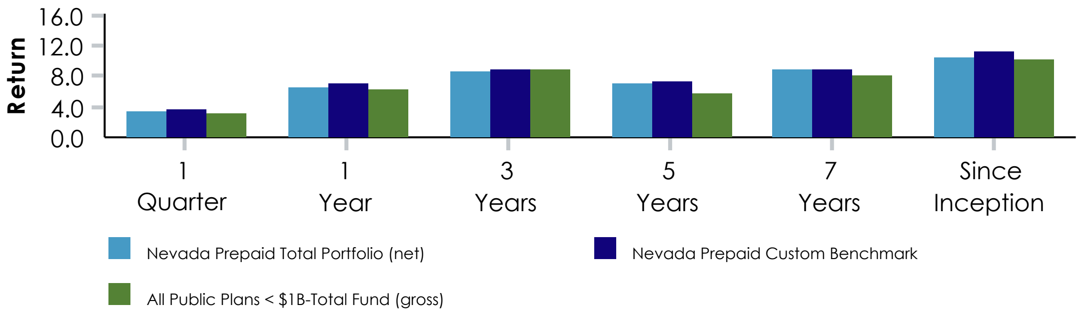
[1] Policy Benchmark consists of 39% S&P 500 Index, 30% BBgBarc US Aggregate A+ Bond Index, 20% CBOE BXM Index, 7% S&P Midcap 400 Index, 4% S&P Smallcap 600 Index as of 9/30/2014. Prior to 9/30/2014 Policy Benchmark consisted of 45% S&P 500 Index, 43% BBgBarc US Aggregate A+ Bond Index, 8% S&P Midcap 400 Index, 4% S&P Small cap 600 Index

[2] Total fees for the Chicago Equity Partners Fixed Income Portfolio approximately 17 bps annually

3 Total Gross of Fees amounts estimated using following manager fee schedule: Vanguard LCE = 4 bps, Vanguard MCE & SCE = 8 bps, Glenmede = 64 bps, CEP = 17 bps

Performance and Market Values (As of June 30, 2019)

Investment Performance



Portfolio Valuation (000's)

	1 Quarter	1 Year
Nevada Prepaid Total Portfolio		
Beginning Market Value	283,369	275,172
Gain/Loss	9,766	17,997
Ending Market Value	**293,085**	**293,085**

Asset Class Performance (net of fees)

	Performance(%) 1 Quarter	1 Year	3 Years	5 Years	7 Years
Nevada Prepaid Total Portfolio	**3.4**	**6.5**	**8.6**	**7.0**	**9.0**
Policy Benchmark*	***3.6***	***7.2***	***9.0***	***7.2***	***9.0***
Large Cap Equity	4.3	10.4	14.2	10.7	14.0
S&P 500 Index	*4.3*	*10.4*	*14.2*	*10.7*	*14.0*
Mid Cap Equity	3.0	1.3	10.8	8.0	12.6
S&P MidCap 400 Index	*3.0*	*1.4*	*10.9*	*8.0*	*12.7*
Small Cap Equity	1.8	-4.9	12.0	8.4	13.0
S&P SmallCap 600 Index	*1.9*	*-4.9*	*12.0*	*8.4*	*13.0*
Covered Calls	3.1	2.5	5.8	---	---
CBOE BXM Index	*3.3*	*3.2*	*7.4*	*---*	*---*
Total Fixed Income**	2.7	7.0	1.5	2.4	---
Blmbg. Barc. U.S. Aggregate: A+	*2.8*	*7.3*	*1.9*	*2.7*	*---*
Blmbg. Barc. U.S. Aggregate Index	*3.1*	*7.9*	*2.3*	*2.9*	*---*

* Policy Benchmark consists of 39% S&P 500 Index, 30% BBgBarc US Aggregate A+ Bond Index, 20% CBOE BXM Index, 7% S&P Midcap 400 Index, 4% S&P Smallcap 600 Index as of 9/30/2014. Prior to 9/30/2014 Policy Benchmark consisted of 45% S&P 500 Index, 43% BBgBarc US Aggregate A+ Bond Index, 8% S&P Midcap 400 Index, 4% S&P Small cap 600 Index

** Total fees for the Chicago Equity Partners Fixed Income Portfolio approximately 17 bps annually

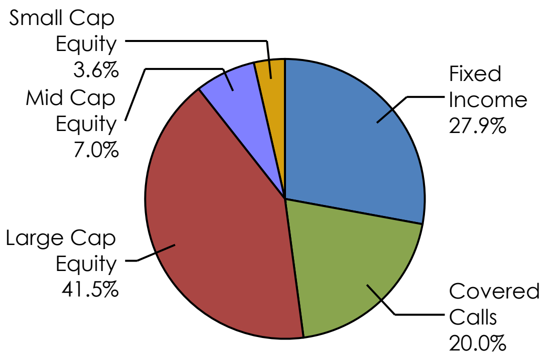
Asset Allocation
As of June 30, 2019

Actual vs. Target Allocations

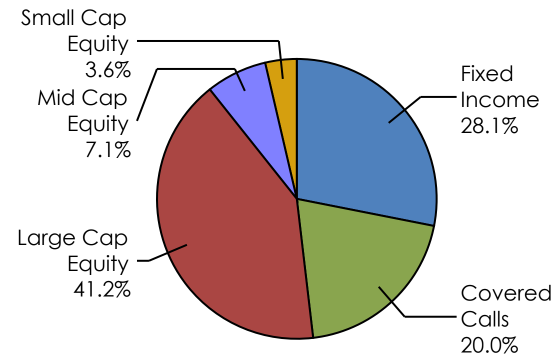
With respect to policy targets, the Total Portfolio ended the latest quarter overweight Equities and underweight Fixed Income. Within Domestic Equity, Small cap was underweight its target allocation, while Mid cap equity was in-line, and Large cap equity was overweight its target allocation. Fixed Income is currently (2.1%) below its 30% target and the Covered Calls asset class is in-line with its 20% target allocation.

	Asset Allocation ($000)	Actual Allocation (%)	Target Allocation (%)	Differences (%)	Minimum Allocation (%)	Maximum Allocation (%)	Acceptable Variance?
Nevada Prepaid Total Portfolio	**293,085**	**100.0**	**100.0**	**0.0**	---	---	
Public Equity	**152,756**	**52.1**	**50.0**	**2.1**	---	---	
Vanguard - Small Cap Equity	10,507	3.6	4.0	-0.4	1.0	7.0	Yes
Vanguard - Mid Cap Equity	20,604	7.0	7.0	0.0	2.0	12.0	Yes
Vanguard - Large Cap Equity	121,646	41.5	39.0	2.5	34.0	44.0	Yes
Fixed Income Composite	**81,754**	**27.9**	**30.0**	**-2.1**	---	---	
Chicago Equity Partners	81,754	27.9	30.0	-2.1	25.0	35.0	Yes
Covered Calls	**58,574**	**20.0**	**20.0**	**0.0**	---	---	
Glenmede Secured Options	58,574	20.0	20.0	0.0	15.0	25.0	Yes

June 30, 2019 : $293,084,511

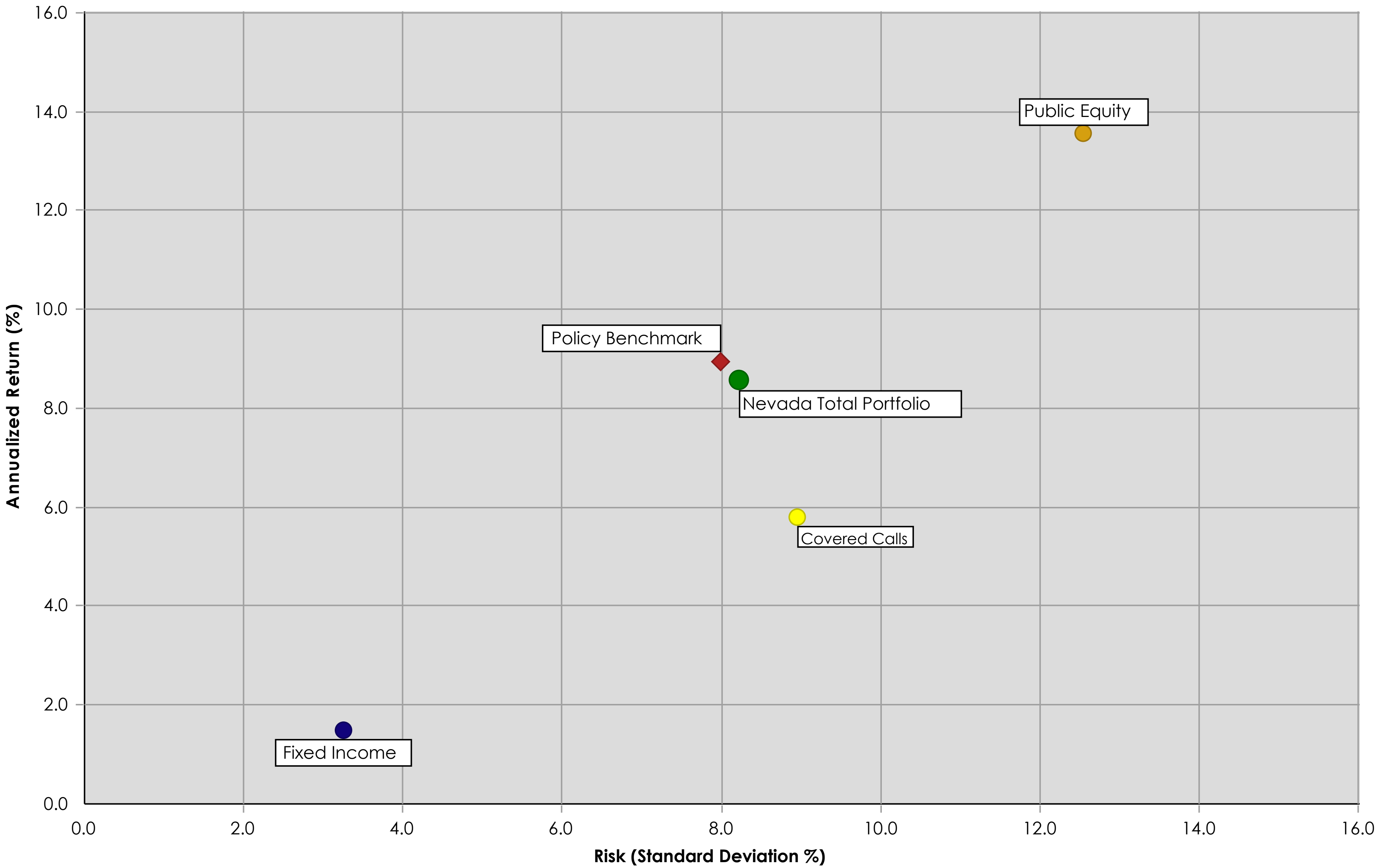


March 31, 2019 : $283,369,333



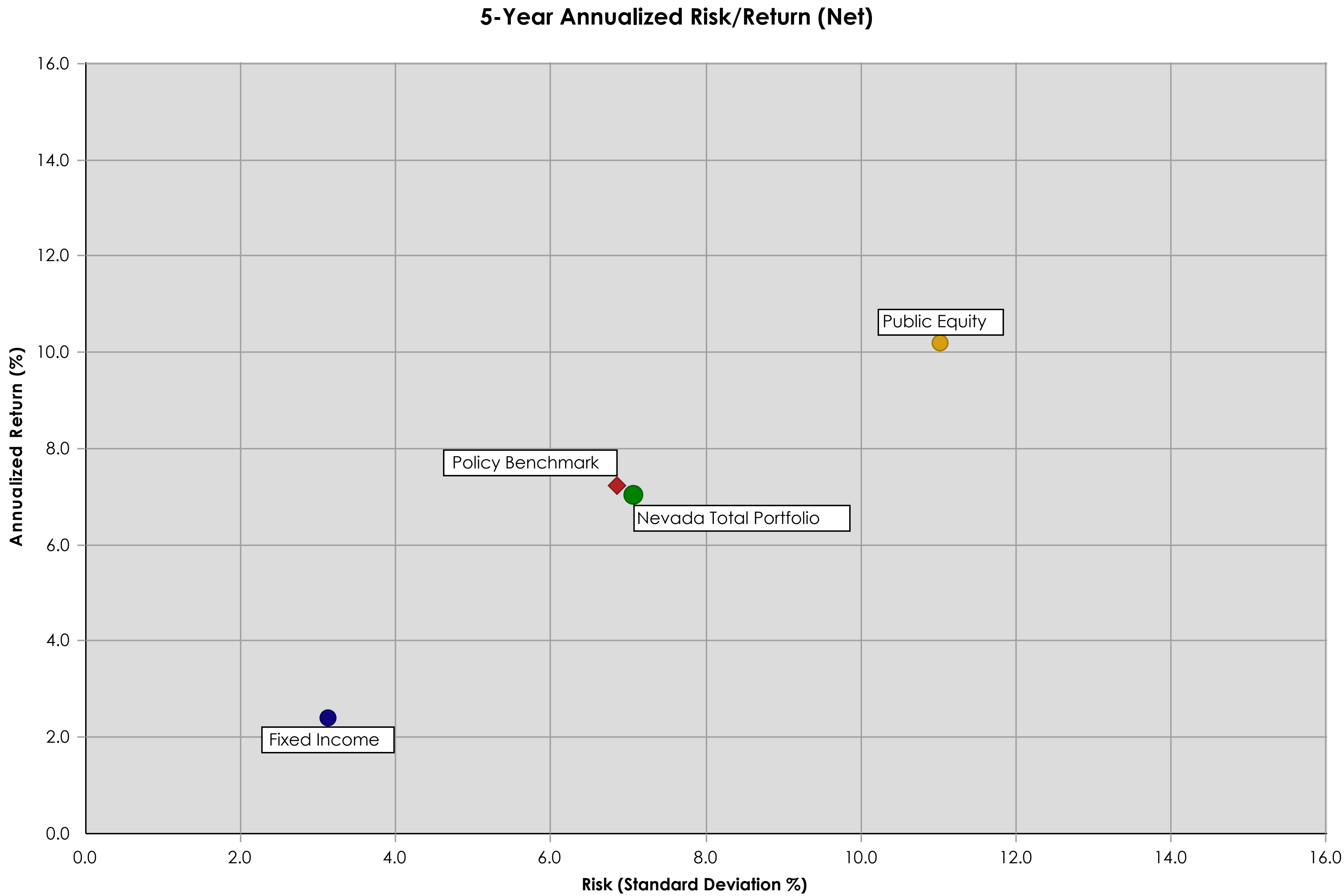
Nevada Prepaid Plan RISK/RETURN Analysis
3 Years Ending June 30, 2019

3-Year Annualized Risk/Return (Net)



Calculation based on quarterly periodicity.

Nevada Prepaid Plan RISK/RETURN Analysis
5 Years Ending June 30, 2019



Calculation based on quarterly periodicity.

Manager Performance
As of June 30, 2019 (Net of Fees)

	Allocation	Performance(%)			
	Market Value ($000)	1 Quarter	1 Year	3 Years	5 Years
Vanguard Institutional Fund	**121,646**	**4.3 (45)**	**10.4 (34)**	**14.2 (27)**	**10.7 (15)**
S&P 500 Index		*4.3 (45)*	*10.4 (34)*	*14.2 (26)*	*10.7 (14)*
Excess Return		0.0	0.0	0.0	0.0
Vanguard S&P Mid Cap 400	**20,604**	**3.0 (70)**	**1.3 (70)**	**10.8 (37)**	**8.0 (22)**
S&P MidCap 400 Index		*3.0 (69)*	*1.4 (69)*	*10.9 (36)*	*8.0 (22)*
Excess Return		0.0	-0.1	-0.1	0.0
Vanguard S&P Small Cap 600	**10,507**	**1.8 (38)**	**-4.9 (31)**	**12.0 (13)**	**8.4 (6)**
S&P SmallCap 600 Index		*1.9 (35)*	*-4.9 (30)*	*12.0 (13)*	*8.4 (6)*
Excess Return		-0.1	0.0	0.0	0.0
Glenmede Secured Options	**58,574**	**3.1 (26)**	**2.5 (47)**	**5.8 (50)**	**---**
CBOE BXM Index		*3.3 (22)*	*3.2 (43)*	*7.4 (27)*	---
Excess Return		-0.2	-0.7	-1.6	---
Chicago Equity Partners[CE]	**81,754**	**2.7 (97)**	**7.0 (97)**	**1.5 (100)**	**2.4 (100)**
Blmbg. Barc. U.S. Aggregate: A+		*2.8 (94)*	*7.3 (96)*	*1.9 (100)*	*2.7 (97)*
Excess Return		-0.1	-0.3	-0.4	-0.3

* Peer group percentile rankings calculated using Investment Metric recommended Lipper peer groups

Vanguard: The three passive Vanguard equity funds all performed roughly in-line with their benchmarks. This performance is within expectations for passive mandates.

Glenmede: The Plan's Covered Calls manager returned 3.1% during the most recent quarter, underperforming its benchmark by (14) basis points and ranking in the 26th percentile of its peer group. Over the 1-year period, the Covered Calls manager underperformed the benchmark by (67) and underperformed its benchmark over the 3-year period by (1.6%).

Chicago Equity Partners: The Plan's Fixed Income manager underperformed its benchmark, the BBgBarc US Aggregate A or Better index, over the quarter by (14) basis points and ranked in the 97th percentile of its peer group. Over the 1-year period, Chicago Equity Partners returned 7.0%, underperforming its benchmark by (36) basis points. Over the 3- and 5-year periods, Chicago Equity Partners underperformed its benchmark by (47) and (35) basis points, respectively.

Disclosures

WE HAVE PREPARED THIS REPORT (THIS “REPORT”) FOR THE SOLE BENEFIT OF THE INTENDED RECIPIENT (THE “RECIPIENT”). SIGNIFICANT EVENTS MAY OCCUR (OR HAVE OCCURRED) AFTER THE DATE OF THIS REPORT AND THAT IT IS NOT OUR FUNCTION OR RESPONSIBILITY TO UPDATE THIS REPORT. ANY OPINIONS OR RECOMMENDATIONS PRESENTED HEREIN REPRESENT OUR GOOD FAITH VIEWS AS OF THE DATE OF THIS REPORT AND ARE SUBJECT TO CHANGE AT ANY TIME. ALL INVESTMENTS INVOLVE RISK. THERE CAN BE NO GUARANTEE THAT THE STRATEGIES, TACTICS, AND METHODS DISCUSSED HERE WILL BE SUCCESSFUL.

INFORMATION USED TO PREPARE THIS REPORT WAS OBTAINED FROM INVESTMENT MANAGERS, CUSTODIANS, AND OTHER EXTERNAL SOURCES. WHILE WE HAVE EXERCISED REASONABLE CARE IN PREPARING THIS REPORT, WE CANNOT GUARANTEE THE ACCURACY OF ALL SOURCE INFORMATION CONTAINED HEREIN.

CERTAIN INFORMATION CONTAINED IN THIS REPORT MAY CONSTITUTE “FORWARD - LOOKING STATEMENTS,” WHICH CAN BE IDENTIFIED BY THE USE OF TERMINOLOGY SUCH AS “MAY,” “WILL,” “SHOULD,” “EXPECT,” “AIM”, “ANTICIPATE,” “TARGET,” “PROJECT,” “ESTIMATE,” “INTEND,” “CONTINUE” OR “BELIEVE,” OR THE NEGATIVES THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY.

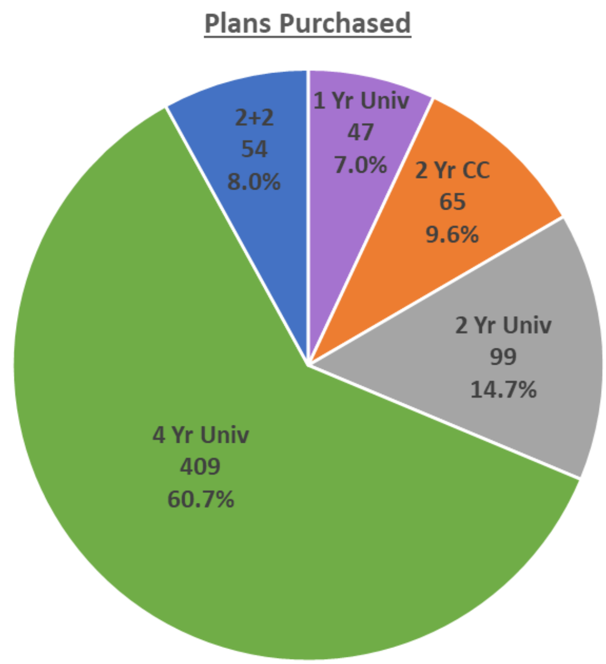
ANY FORWARD - LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION ARE BASED UPON CURRENT ASSUMPTIONS. CHANGES TO ANY ASSUMPTIONS MAY HAVE A MATERIAL IMPACT ON FORWARD LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS. ACTUAL RESULTS MAY THEREFORE BE MATERIALLY DIFFERENT FROM ANY FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION.

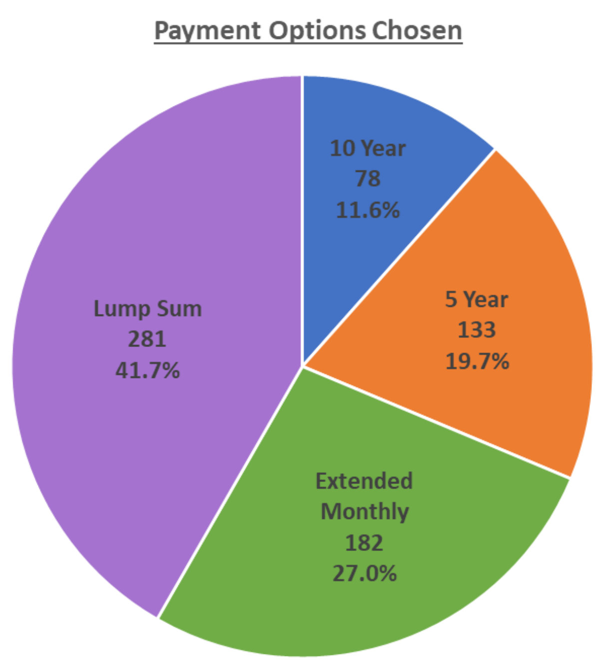
PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

APPENDIX D- ENROLLMENT STATISTICAL CHARTS

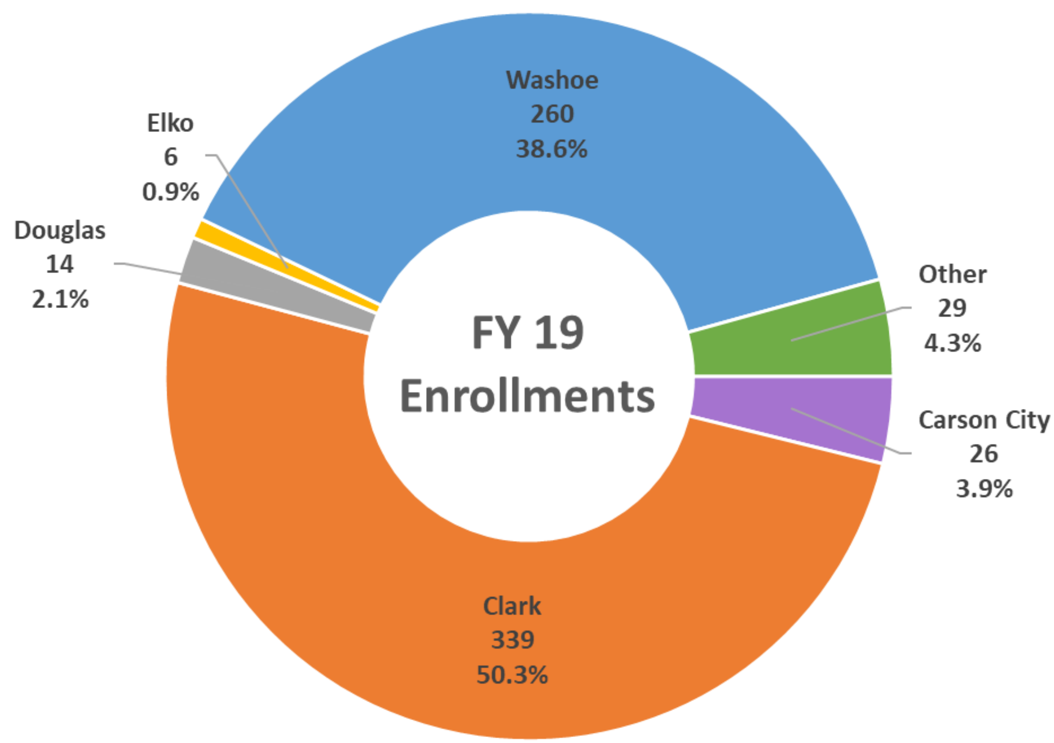
NEW ENROLLMENTS FISCAL YEAR 2019

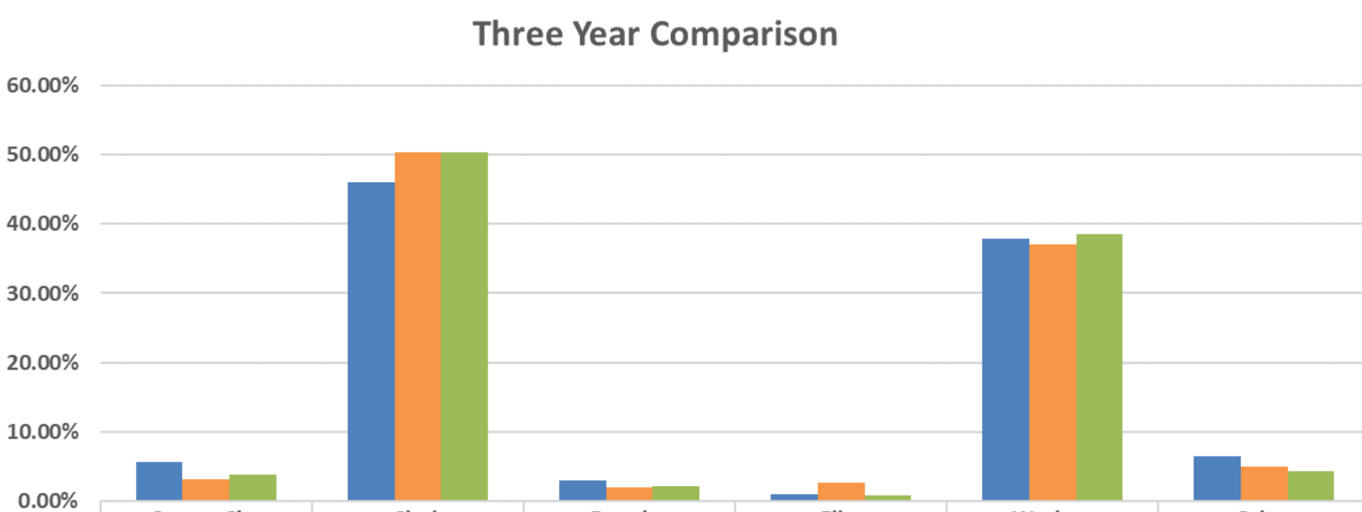
PLAN		TOTAL	% OF TOTAL
2 YEAR COMMUNITY			
LUMP SUM	20		
5 YEAR	17		
10 YEAR	9		
EXTENDED	19		
		65	9.64%
2 YR COMM/2 YR UNIV			
LUMP SUM	16		
5 YEAR	12		
10 YEAR	10		
EXTENDED	16		
		54	8.01%
1 YEAR UNIV			
LUMP SUM	27		
5 YEAR	11		
10 YEAR	3		
EXTENDED	6		
		47	6.97%
4 YEAR UNIV			
LUMP SUM	171		
5 YEAR	78		
10 YEAR	49		
EXTENDED	111		
		409	60.68%
2 YEAR UNIV			
LUMP SUM	47		
5 YEAR	15		
10 YEAR	7		
EXTENDED	30		
		99	14.69%
TOTAL ENROLLMENT FORMS	674		100.00%





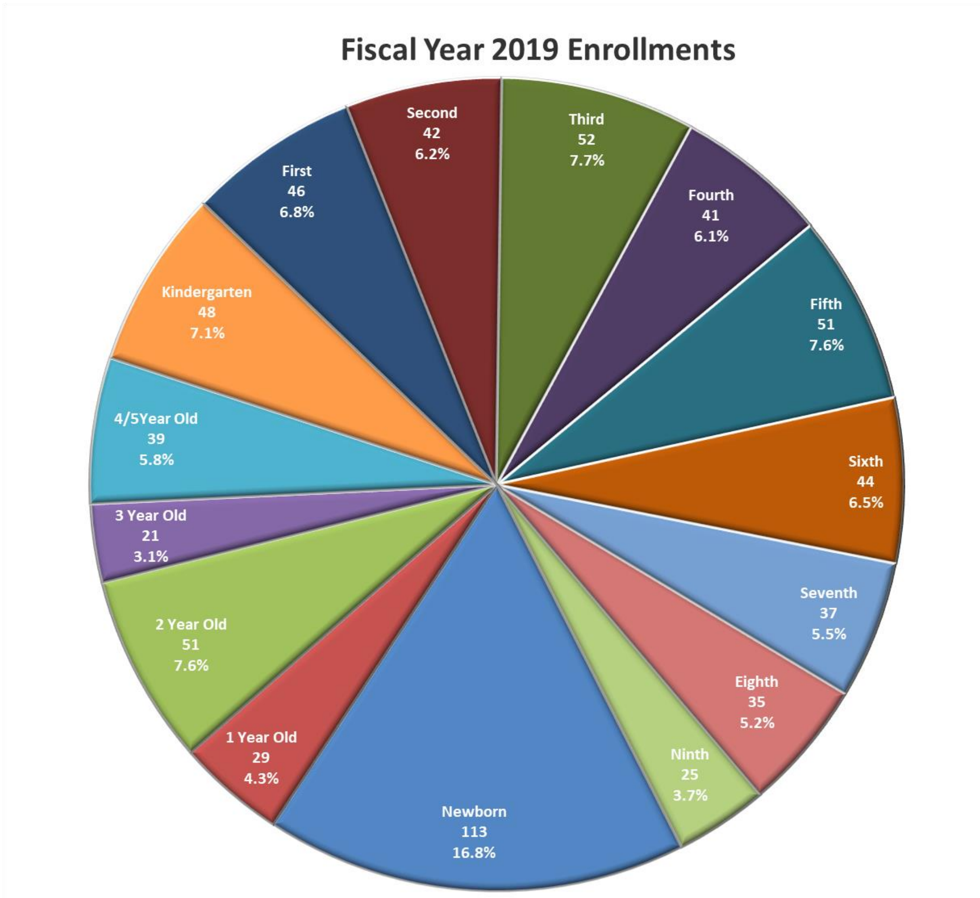
CONTRACTS BY COUNTY



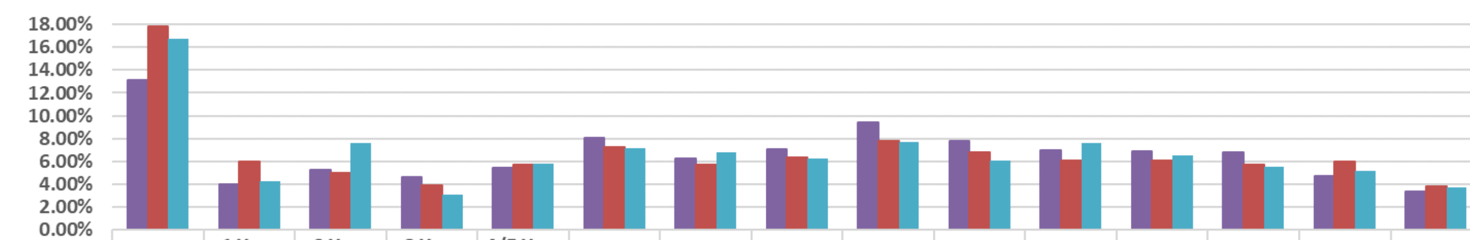


	Carson City	Clark	Douglas	Elko	Washoe	Other
FISCAL YEAR 17	5.63%	46.10%	2.92%	0.97%	37.88%	6.49%
FISCAL YEAR 18	3.10%	50.39%	1.94%	2.58%	37.08%	4.91%
FISCAL YEAR 19	3.86%	50.30%	2.08%	0.89%	38.58%	4.30%

BENEFICIARIES AGE/GRADE

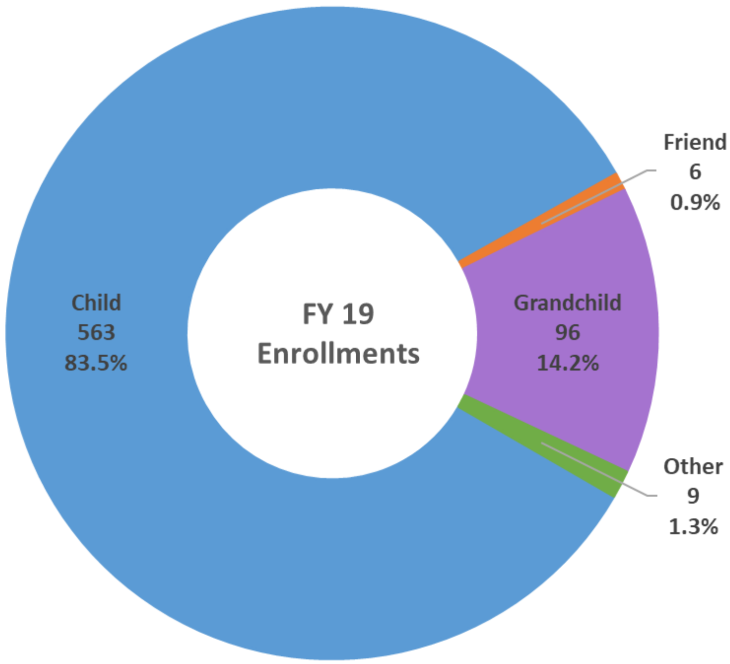


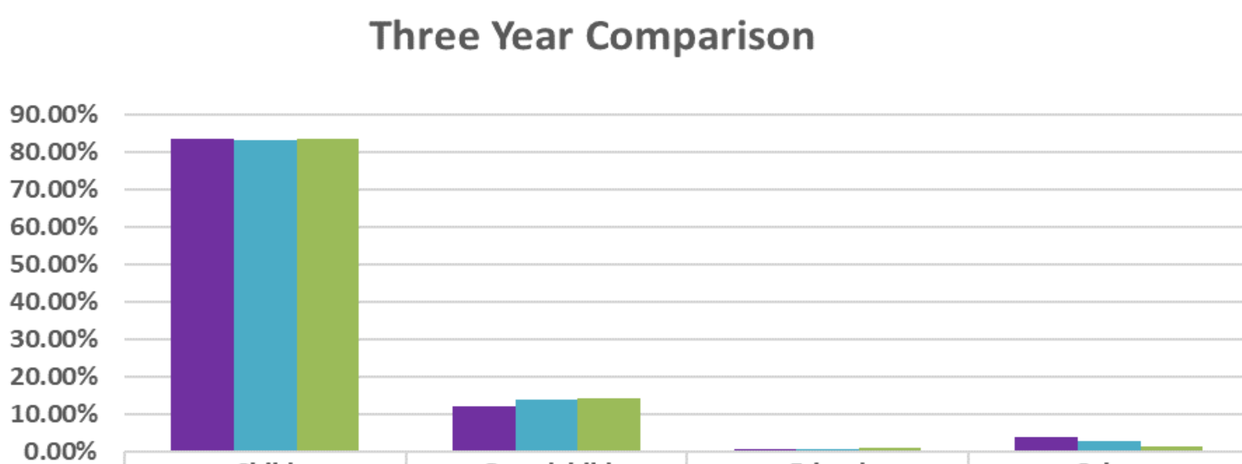
Three Year Comparison



	Newborn	1 Year Old	2 Year Old	3 Year Old	4/5 Year Old	K	First	Second	Third	Fourth	Fifth	Sixth	Seventh	Eighth	Ninth
FISCAL YEAR 17	13.09%	4.02%	5.26%	4.64%	5.46%	8.04%	6.29%	7.11%	9.38%	7.84%	7.01%	6.91%	6.80%	4.74%	3.40%
FISCAL YEAR 18	17.86%	5.95%	4.98%	3.90%	5.74%	7.25%	5.74%	6.39%	7.79%	6.82%	6.06%	6.06%	5.74%	5.95%	3.79%
FISCAL YEAR 19	16.77%	4.30%	7.57%	3.12%	5.79%	7.12%	6.82%	6.23%	7.72%	6.08%	7.57%	6.53%	5.49%	5.19%	3.71%

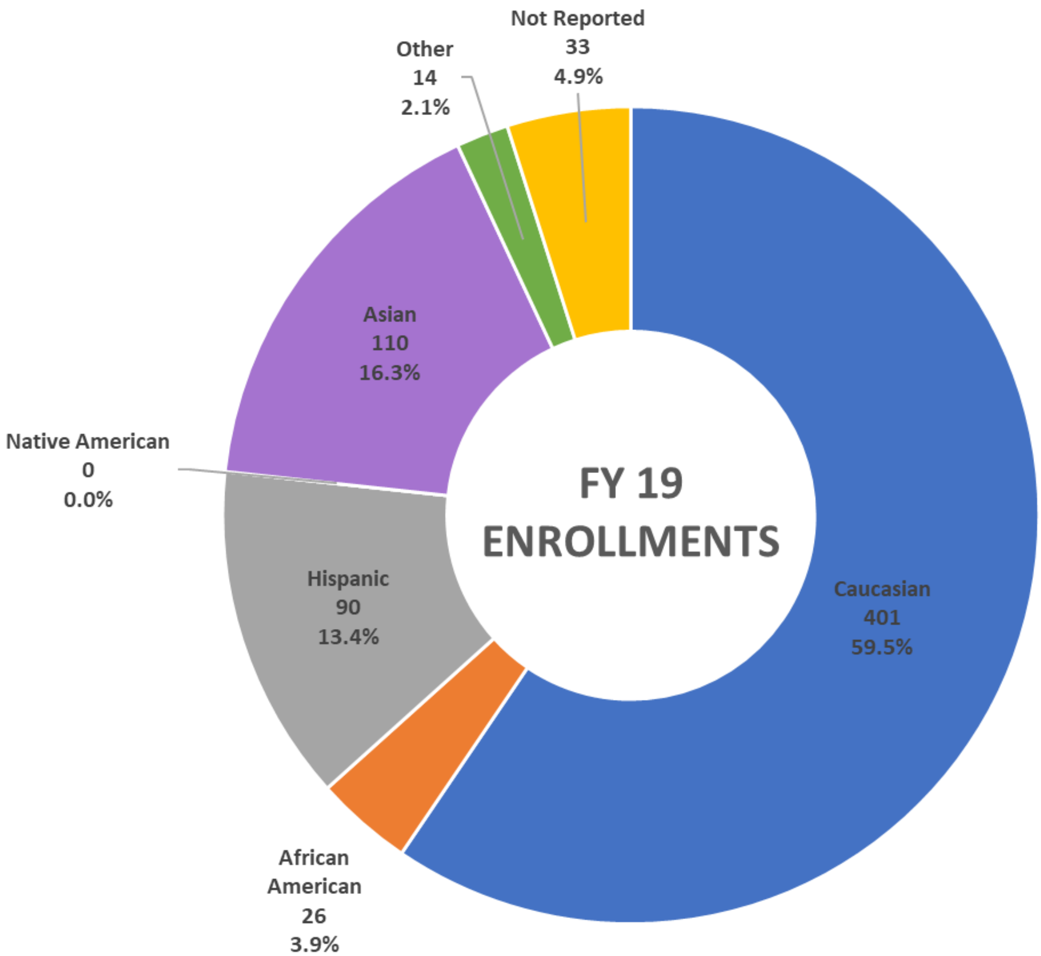
BENEFICIARY'S RELATIONSHIP TO PURCHASER



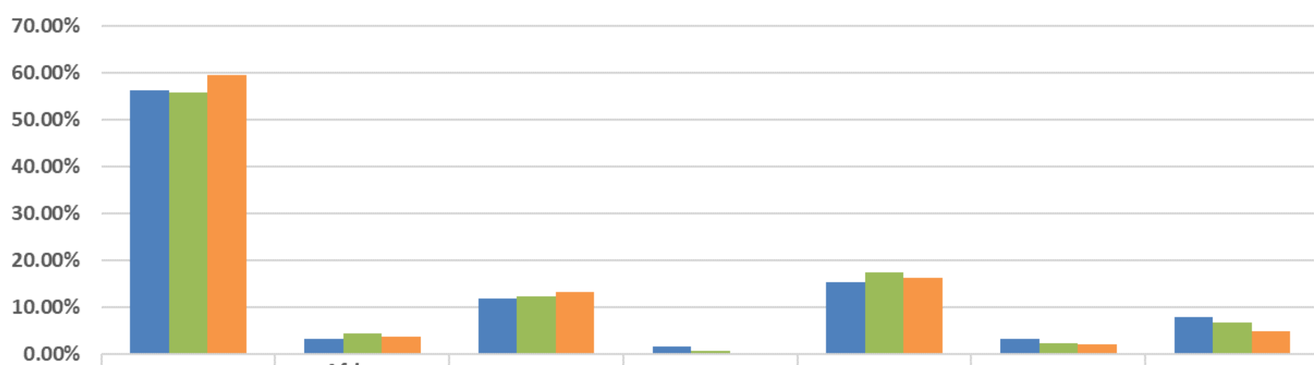


	Child	Grandchild	Friend	Other
FISCAL YEAR 17	83.55%	12.12%	0.65%	3.68%
FISCAL YEAR 18	83.07%	13.82%	0.52%	2.58%
FISCAL YEAR 19	83.53%	14.24%	0.89%	1.34%

RACE OF BENEFICIARY

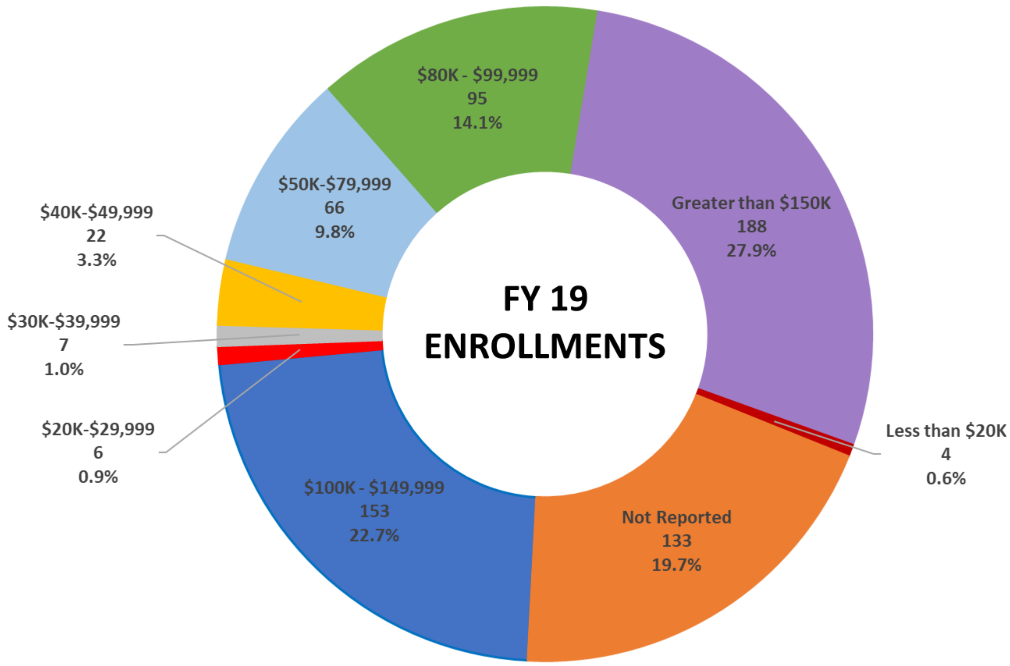


Three Year Comparison

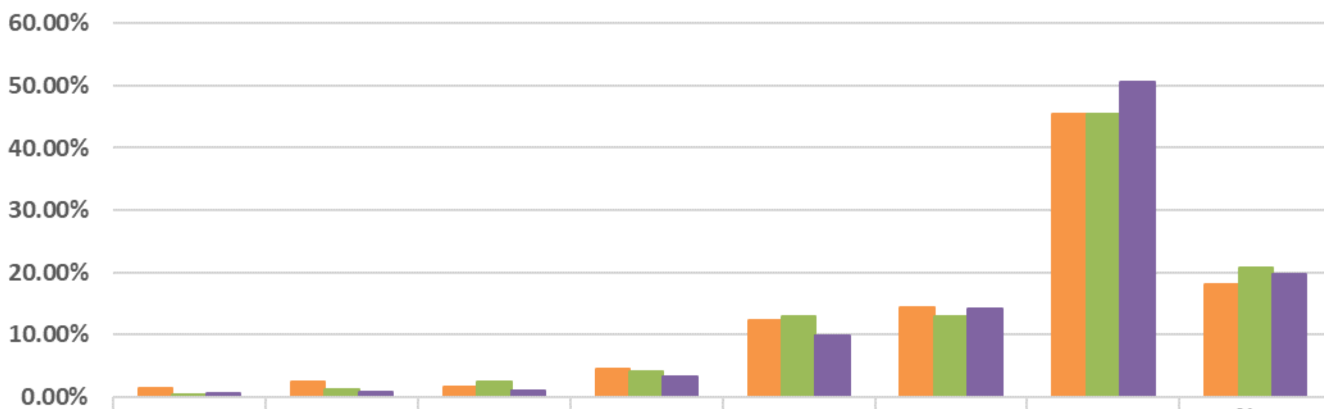


	Caucasian	African-American	Hispanic	Native American	Asian	Other	Not Reported
FISCAL YEAR 17	56.28%	3.35%	11.90%	1.73%	15.37%	3.35%	8.01%
FISCAL YEAR 18	55.81%	4.52%	12.40%	0.65%	17.44%	2.33%	6.85%
FISCAL YEAR 19	59.50%	3.86%	13.35%	0.00%	16.32%	2.08%	4.90%

PURCHASER'S INCOME LEVEL

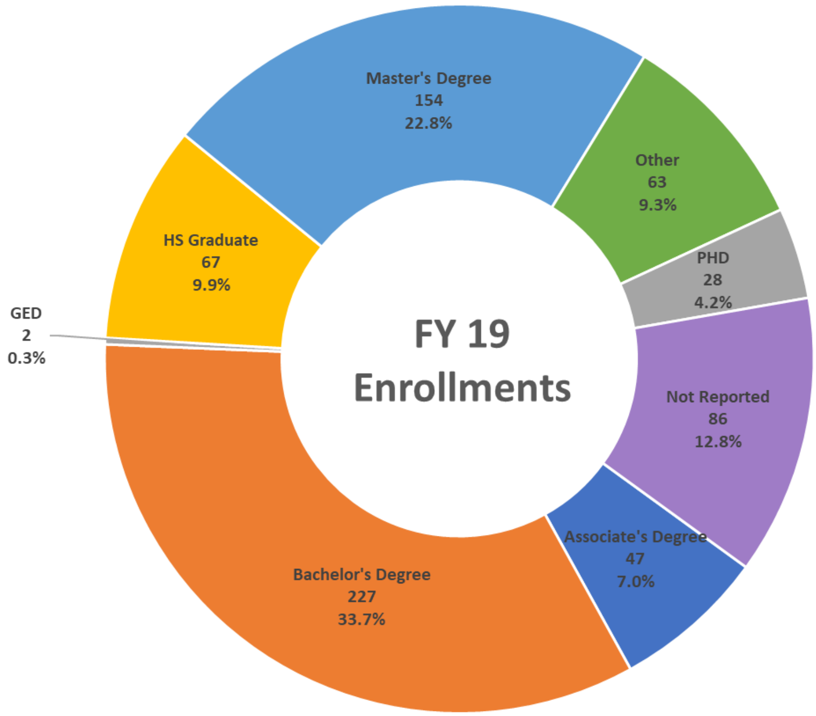


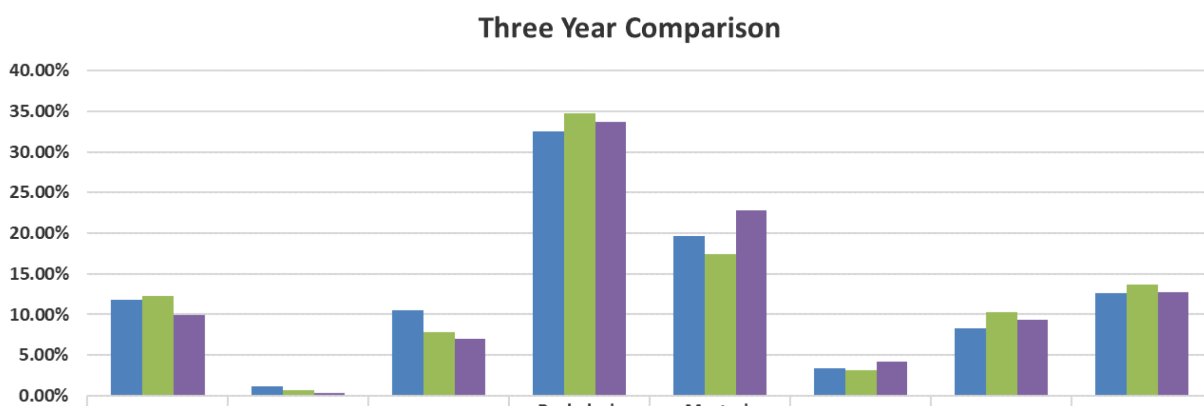
Three Year Comparison



	< $20K	$20-29K	$30-39K	$40-49K	$50-79K	$80-100K	Over $100K	Not Reported
FISCAL YEAR 17	1.34%	2.47%	1.55%	4.43%	12.37%	14.43%	45.36%	18.04%
FISCAL YEAR 18	0.43%	1.30%	2.38%	4.00%	12.99%	12.88%	45.35%	20.67%
FISCAL YEAR 19	0.59%	0.89%	1.04%	3.26%	9.79%	14.09%	50.59%	19.73%

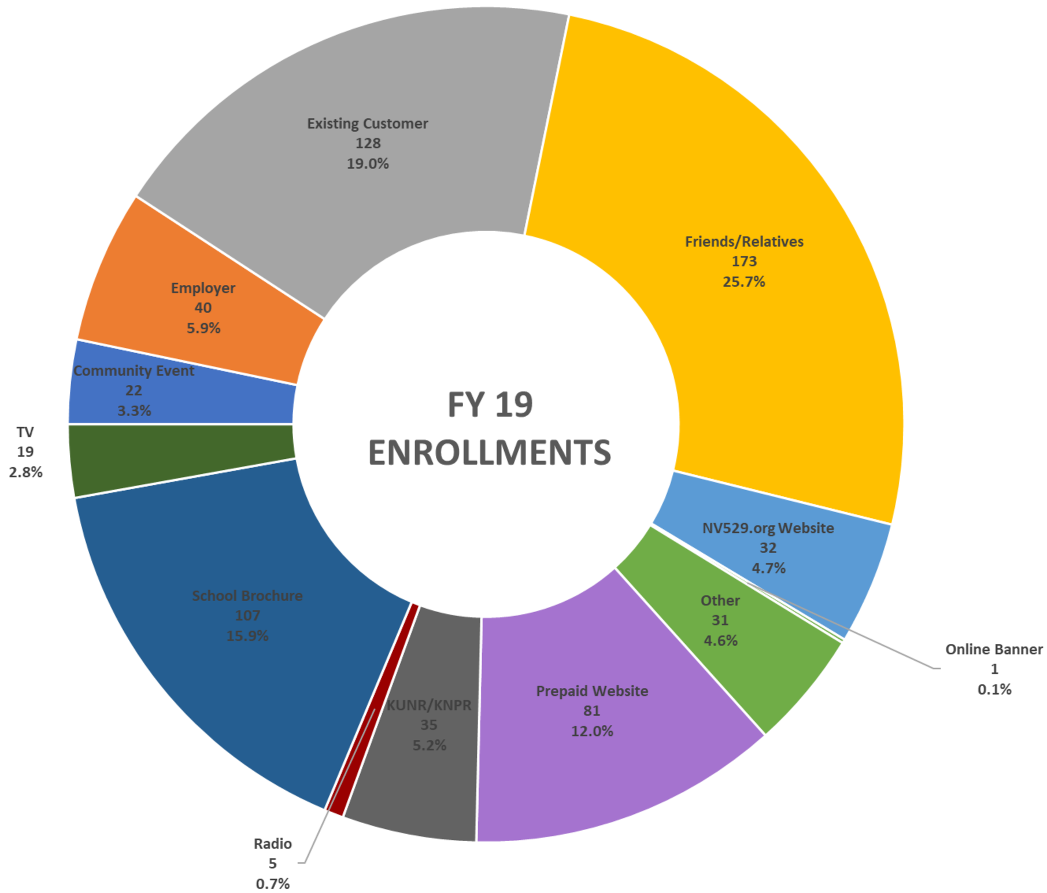
PURCHASER'S EDUCATION LEVEL



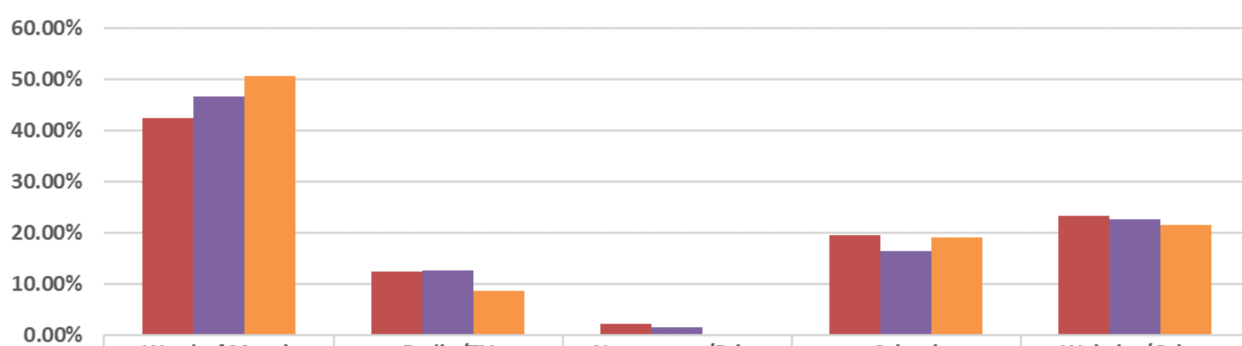


	H.S. Diploma	GED	AA Degree	Bachelor's Degree	Master's Degree	Ph.D	Other	Not Reported
FISCAL YEAR 17	11.86%	1.13%	10.52%	32.47%	19.69%	3.40%	8.25%	12.68%
FISCAL YEAR 18	12.23%	0.69%	7.79%	34.71%	17.46%	3.16%	10.26%	13.71%
FISCAL YEAR 19	9.94%	0.30%	6.97%	33.68%	22.85%	4.15%	9.35%	12.76%

REFERRAL SOURCE



Three Year Comparison



	Word of Mouth	Radio/TV	Newspaper/Print	School	Website/Other
FISCAL YEAR 17	42.42%	12.45%	2.27%	19.48%	23.38%
FISCAL YEAR 18	46.51%	12.66%	1.68%	16.41%	22.74%
FISCAL YEAR 19	50.59%	8.75%	0.00%	19.14%	21.51%