

Nevada Prepaid Tuition Program

Actuarial Valuation Report

As of June 30, 2022





February 7, 2023

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

Attention: Ms. Kirsten Van Ry, Chief of Staff

Re: Nevada Prepaid Tuition Program Actuarial Valuation as of June 30, 2022

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, 2022. The purpose of this actuarial valuation is to evaluate the financial status of the Program as of June 30, 2022.

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, 2022, with the value of the assets (including present value of future contract payments) associated with the program as of that same date;
- An analysis of the factors which caused the surplus/(deficit) 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 actuarial 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, 2022, and does not reflect subsequent market changes.

The actuarial 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. Economic assumptions are reviewed annually (see the letter dated July 18, 2022). Demographic assumptions were last reviewed in conjunction with the 5-Year Actuarial Experience Study for the period July 1, 2012 through June 30, 2017. We believe the assumptions are reasonable for the purpose of the measurements and are in compliance with actuarial standards regarding pension calculations, and consequently, for the Program.

The Honorable Zach Conine

February 7, 2023

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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 was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the actuarial valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

This report is not a recommendation to anyone to participate, or not 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, 2022.

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.

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 and Jamal Adora are Members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

The signing actuaries are independent of the plan sponsor.

Respectfully submitted,
Gabriel, Roeder, Smith & Company



James R. Sparks, ASA, FCA, MAAA



Jamal Adora, ASA, EA, MAAA

JRS/JA:sc



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SECTION A

EXECUTIVE SUMMARY

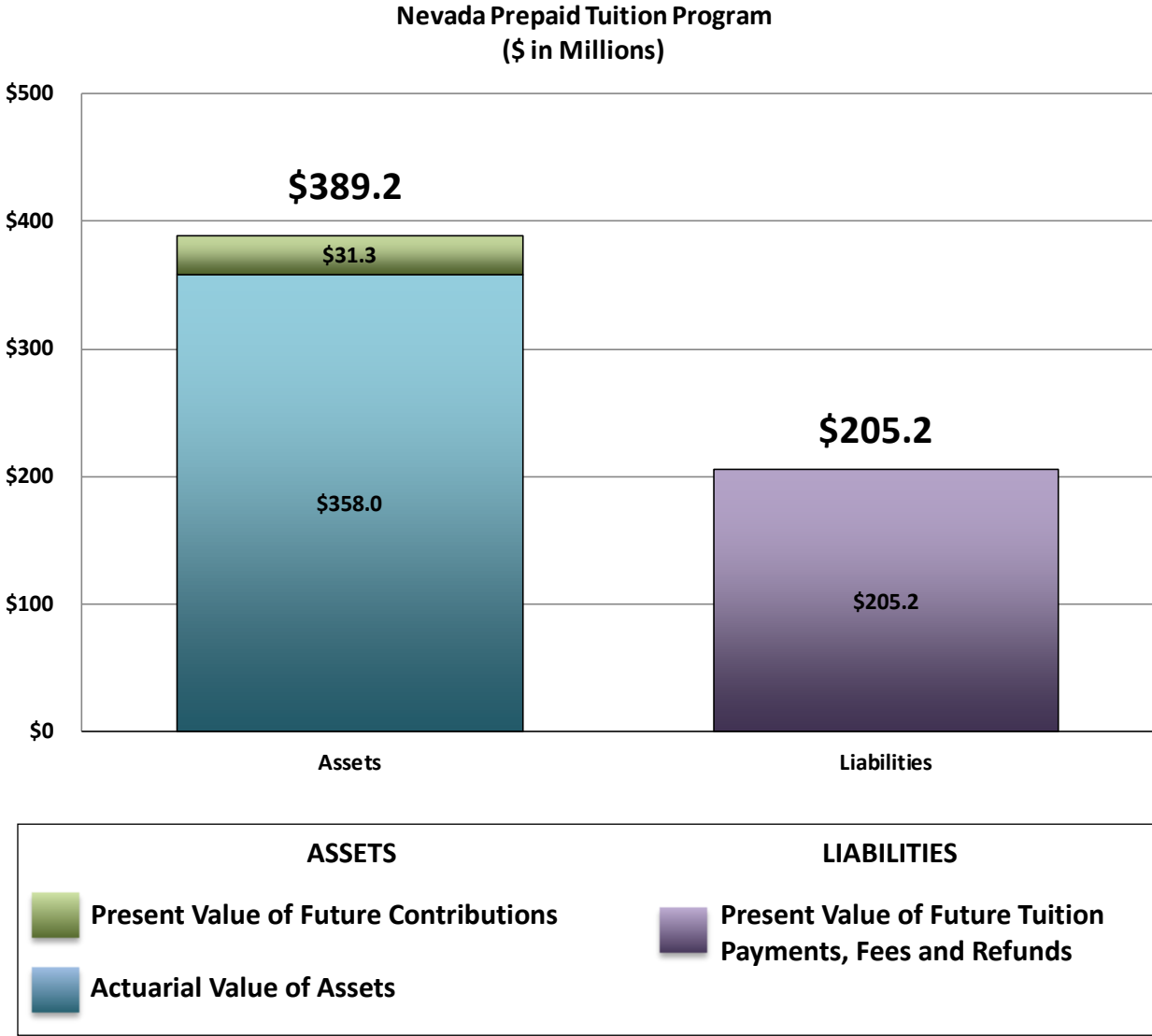
Summary of Results

Actuarial Valuation Date:	June 30, 2022	June 30, 2021
Membership Summary:		
Counts		
Contract Payments in Progress	2,769	3,057
Contract Payments Fully Paid	5,178	5,227
Delinquent in Contract Payments	280	340
Benefit Payments in Progress	2,785	3,126
Deferred Benefits	357	239
Total	11,369	11,989
Assets		
Actuarial Value of Assets	\$ 357,970,074	\$ 338,299,838
Present Value of Future Contract Payments	31,279,680	34,139,962
Total	\$ 389,249,754	\$ 372,439,800
Estimated Annual Return on Actuarial Value of Assets	6.55%	11.10%
Estimated Annual Return on Market Value of Assets	-8.92%	26.45%
Liabilities		
Present Value of Future Tuition Payments, Fees and Refunds	\$ 205,181,491	\$ 208,140,441
Surplus/(Deficit) (Assets less Liabilities)	\$ 184,068,263	\$ 164,299,359
Funded Ratio*	189.7%	178.9%

* 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, 2022 would be 188.9% if the Market Value of Assets was used.

No liabilities are assumed for future administrative expenses. It is assumed administrative expenses will continue to be paid by a contribution from the College Savings Endowment Fund.

Summary of Assets and Liabilities as of June 30, 2022



No liabilities are assumed for future administrative expenses. It is assumed administrative expenses will continue to be paid by a contribution from the College Savings Endowment Fund. Numbers may not add due to rounding.

Funded Status as of June 30, 2022

	June 30, 2022	June 30, 2021
Present Value of Future Tuition Payments, Fees and Refunds	\$205,181,491	\$208,140,441
Actuarial Value of Assets (Including the Present Value of Future Contract Payments)	\$389,249,754	\$372,439,800
Surplus/(Deficit) as of June 30, 2022	\$184,068,263	\$164,299,359

Change in Surplus/(Deficit)

	Surplus/(Deficit)
(1.) Surplus/(Deficit) as of June 30, 2021	\$ 164,299,359
(2.) Adjustment to Beginning of Year Assets	\$ (168,568)
(3.) Expected Contract Payments Received (Excluding New Enrollments)	\$ -
(4.) Expected Tuition Payments, Fees, Refunds and Net Administrative Expenses [^]	\$ -
(5.) Interest on (1.), (2.), (3.) and (4.) at Assumed Rate of Investment Return	\$ 8,206,540
(6.) New Enrollment Group #	\$ 297,147
(7.) Projected Surplus/(Deficit) at June 30, 2022 [(1.) + (2.) + (3.) + (4.) + (5.) + (6.)]	\$ 172,634,478
(8.) Change in Surplus/(Deficit) Due to the following Experience:	
a. Investment Experience Above/(Below) Assumed	\$ 5,231,888
b. Tuition/Fee Inflation	\$ -
c. Change in Short-Term Tuition Increase Assumptions (HEPI)	\$ 1,813,323
d. Change in Long-Term Tuition Increase Assumptions	\$ -
e. Change in Investment Rate of Return Assumption	\$ -
f. Other Program Experience During Fiscal Year 2022 @	\$ 4,388,574
Total Experience Change in Surplus/(Deficit)	\$ 11,433,785
(9.) Actual Surplus/(Deficit) as of June 30, 2022 [(7.) + (8.)]	\$ 184,068,263

[^] Administrative expenses are covered by a contribution from the College Savings Endowment Fund.

Determined before changes in assumptions, if any.

@ All other plan experience such as data changes, utilization of contracted credits faster/slower than assumed, higher/lower incidences of refunds than assumed, changes in beneficiaries, etc.

Discussion

Actuarial Valuation

Gabriel, Roeder, Smith & Company (“GRS”) has performed an actuarial valuation of the Nevada Prepaid Tuition Program as of June 30, 2022.

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, 2022 and compare such liabilities with the value of the assets (including present value of future contract payments) associated with the Program as of that same date; and
- Analyze the factors which caused the surplus/(deficit) 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 actuarial valuation.

Financial Status of Program

As of June 30, 2022, the present value of all future Program obligations (tuition payments, fees, refunds, etc.) for contracts outstanding was \$205.2 million. Program assets as of June 30, 2022, including the Actuarial Value of Assets and the present value of future contract payments, are \$389.2 million.

The difference between the Program assets of \$389.2 million and Program obligations of \$205.2 million represents a Program surplus of \$184.0 million. The comparable Program surplus as of the last actuarial valuation as of June 30, 2021 was \$164.3 million.

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

As of June 30, 2022, the Program is 189.7% funded and is expected to be able to pay benefits on behalf of all current contracts.

Discussion

Asset Methodology

In accordance with the Funding Policy Guideline adopted by the Program, this actuarial valuation uses a smoothing process in determining the Actuarial Value of Assets. This process immediately recognizes the expected return, and then twenty percent (20%) of the difference between the actual and expected return is also recognized in the current year. In the subsequent 4 years, an additional 20% is recognized each year until the investment gain (or loss) is fully recognized into the Actuarial Value of Assets. The Actuarial Value of Assets is not allowed to deviate by more than 20% from the Market Value of Assets in any given year. This smoothing process is intended to provide a more stable actuarial valuation from year to year. This method was first implemented in the June 30, 2015 Actuarial Valuation.

Assumption Changes

Assumptions for the June 30, 2022 actuarial valuation were approved by the Treasurer and are summarized in the annual assumption letter dated July 18, 2022. Changes from the prior actuarial valuation included increasing the assumed rate of pricing inflation from 2.00% to 2.25%. The price inflation assumption is an implicit assumption used for the development of other valuation assumptions and does not directly impact valuation results.

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, as of June 30, 2022 the assumed short-term rates of tuition increases can be predicted through the 2025/2026 academic year. As of the June 30, 2021 Actuarial Valuation, the 2023/2024 assumed tuition increase was 2.5% and the 2024/2025 assumed tuition increase was 1.9%. The change in the 2021 HEPI Index from 2020 was 2.7% and is used to determine the assumed rate of tuition increase for the 2025/2026 academic year. In order for tuition experience between now and the 2025/2026 academic year 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 2021 or earlier.

Technical Actuarial Valuation Programming Updates

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

Beginning with the June 30, 2022 Actuarial Valuation, the “Year to Year Change in Actuarial Calculations” schedule on page C-3 was modified so that rows (3.) and (4.) reflect expected cash flows during the previous fiscal year (versus actual reported cash flows, as reflected in prior valuations). This change has no impact to the projected total Surplus/(Deficit), but shifts reported experience in the Surplus/(Deficit) (i.e., row (8.) “Change Due to”) between columns (i), (ii) and (iii) . Specifically, row (8.)(f.) “Other Program experience During Fiscal Year 2022” for the Actuarial Value of Assets (iii) column now reflects the change in the surplus/(deficit) as a result of expected cash flows for the past fiscal year differing from actual cash flows for the fiscal year.

Benefit Provisions

There were no benefit provision changes since the last actuarial valuation.

Discussion

Gain/Loss Analysis

The Program experienced continued improvement in the funded status during the year ending June 30, 2022 due to gains from several sources. This gain was primarily attributed to (1.) interest on the current surplus, (2.) favorable investment return (on an Actuarial Value of Assets basis) and (3.) lower than assumed short-term future tuition increases.

1. If all assumptions are met, the surplus is expected to grow with interest at the assumed rate of investment return (currently 5.00%).
2. While the estimated investment return for the 2022 fiscal year was -8.92% on a market value basis, the Actuarial Value of Assets (which uses a 5-year smoothing method) recognized a rate of return of 6.55% (versus 5.00% assumed in the prior actuarial valuation). Note, any investment income on the surplus acts as an additional gain to the Program.
3. The 2021 Higher Education Price Index (HEPI) (which is anticipated to determine the assumed tuition increase for the 2025/2026 academic year) increased year over year by 2.70% which is lower than the assumed rates of tuition increases of 4.00% for 4-year Universities & 3.50% for 2-year Community Colleges.

Reconciliation of Funded Status Change

	Surplus/(Deficit)	Funded %
June 30, 2021	\$ 164,299,359	178.9%
Adjustment to Beginning of Year Assets	(168,568)	-0.1%
Interest at Assumed Return (5.00%)	8,206,540	3.9%
Investment Experience Above/(Below) Assumed	5,231,888	2.5%
New Contract Experience	297,147	0.1%
Change in Short-Term Tuition Increase Assumption (HEPI)	1,813,323	0.9%
Change in Long-Term Tuition Increase Assumption	-	0.0%
Change in Investment Rate of Return Assumption	-	0.0%
Other Experience	4,388,574	2.1%
Change in %'s Due to Decreasing/(Increasing) liabilities*	N/A	1.4%
June 30, 2022	\$ 184,068,263	189.7%

* The denominator of the funded status calculation at the beginning of year (June 30, 2021) is based upon the June 30, 2021 total liabilities, while the June 30, 2022 funded status is based upon of the June 30, 2022 total liabilities.

Discussion

Reported Assets

The reported June 30, 2021 market value of assets for the June 30, 2022 actuarial valuation was \$168,568 less than what was reported for the June 30, 2021 actuarial valuation. A beginning of year adjustment to the market value and actuarial value of assets was made to reflect this difference.

The reported June 30, 2022 market value of assets was \$13,128 less than what would be obtained from summing the reported June 30, 2021 market value (after the \$168,568 adjustment described above) and reported Fiscal Year 2022 revenues and expenditures. For purposes of this actuarial valuation, reported investment income was adjusted to force the assets to balance.

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

Data

Member data is received from the program and compared with prior years' data for general consistency. No changes were made to the provided data. However, 3 contracts indicated they were fully utilized and were not valued. As of June 30, 2022, there are 333 contracts which are more than 10 years past the contract's projected matriculation year (See schedule on page E-2). It is recommended that program staff review these contracts to confirm the data correctly reflects their current status in the program (i.e., still eligible for utilization of benefits). Note, newly purchased contracts generally only have 6 years from the projected matriculation year to utilize benefits.

Annual Tuition and Refund Payouts

Annual tuition and refund payouts have continued to be less than expected over the last several actuarial valuations resulting in experience gains. Utilization assumptions were lowered during last the experience study performed following the 2017 Actuarial Valuation. The changes in assumptions have resulted in expected benefit payouts to be closer to actual (\$20 million in tuition payments and refunds expected versus \$16 actual for the 2022 fiscal year), but still in excess. The next experience study is scheduled to be performed following the June 30, 2022 Actuarial Valuation, where the utilization assumption will be further reviewed.

SECTION B

PROGRAM DESCRIPTION

Summary of Program Description Evaluated June 30, 2022

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

ACTUARIAL VALUATION RESULTS

Principal Actuarial Valuation Results as of June 30, 2022

	<u>2022</u>	<u>2021</u>
Number of Members		
1a. Contract Payments in Progress	2,769	3,057
1b. Contract Payments Fully Paid	5,178	5,227
1c. Delinquent in Contract Payments	280	340
1d. Benefit Payments in Progress	2,785	3,126
1e. Deferred Benefits	357	239
1f. Total	<u>11,369</u>	<u>11,989</u>
Assets		
2a. Actuarial Value of Assets	\$ 357,970,074	\$ 338,299,838
2b. PV Future Contract Payments	31,279,680	34,139,962
2c. Total Actuarial Value of Assets	<u>\$ 389,249,754</u>	<u>\$ 372,439,800</u>
Liabilities		
3a. Present Value of Future Tuition Payments, Fees and Refunds	\$ 205,181,491	\$ 208,140,441
Surplus/(Deficit) (2c. - 3a.)	\$ 184,068,263	\$ 164,299,359
Funded Ratio (2c. / 3a.)	189.7%	178.9%

Principal Actuarial Valuation Results as of June 30, 2022 (Concluded)

	2022	2021
Assets		
1a. Actuarial Value of Assets	\$ 357,970,074	\$ 338,299,838
1b. PVFCP* (Short Term) ^a	7,127,697	7,794,568
1c. PVFCP* (Long Term) ^b	24,151,983	26,345,394
1d. Total Actuarial Value of Assets	\$ 389,249,754	\$ 372,439,800
Actuarial Present Value of Future Tuition Payments, Fees and Refunds		
2a. Short Term ^a	\$ 19,672,444	\$ 19,863,426
2b. Long Term ^b	185,509,047	188,277,015
2c. Total	\$ 205,181,491	\$ 208,140,441
Surplus/(Deficit) (1d. - 2c.)	\$ 184,068,263	\$ 164,299,359
Funded Ratio (1d. / 2c.)	189.7%	178.9%

* Present Value of Future Contract Payments

^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 Tuition, Fees and Refunds	Present Value of Future Contract Payments	Actuarial Value of Assets	Surplus/(Deficit)
	(i)	(ii)	(iii)	(iii) + (ii) - (i)
(1.) Values as of June 30, 2021	\$ 208,140,441	\$ 34,139,962	\$ 338,299,838	\$ 164,299,359
(2.) Adjustment to Beginning of Year Assets	\$ -	\$ -	\$ (168,568)	\$ (168,568)
(3.) Expected Contract Payments Received (Excluding New Enrollments)	\$ -	\$ (7,987,056)	\$ 7,987,056	\$ -
(4.) Expected Tuition Payments, Fees, and Refunds net of Administrative Contributions [^]	\$ (20,278,547)	\$ -	\$ (20,278,547)	\$ -
(5.) Interest on (1.), (2.), (3.) and (4.) at Assumed Rate of Investment Return	\$ 9,828,972	\$ 1,509,757	\$ 16,525,755	\$ 8,206,540
(6.) New Enrollment Group #	\$ 8,869,476	\$ 4,054,817	\$ 5,111,806	\$ 297,147
(7.) Projected Values at June 30, 2022 [(1.) + (2.) + (3.) + (4.) + (5.) + (6.)]	\$ 206,560,342	\$ 31,717,480	\$ 347,477,340	\$ 172,634,478
(8.) Change Due to:				
a. Investment Experience Above/(Below) Assumed*	\$ -	\$ -	\$ 5,231,888	\$ 5,231,888
b. Tuition/Fee Inflation	-	-	-	-
c. Change in Short-Term Tuition Increase Assumptions (HEPI)	(1,813,323)	-	-	1,813,323
d. Change in Long-Term Tuition Increase Assumptions	-	-	-	-
e. Change in Investment Rate of Return Assumption	-	-	-	-
f. Other Program Experience During Fiscal Year 2022 @	434,472	(437,800)	5,260,846	4,388,574
Total	\$ (1,378,851)	\$ (437,800)	\$ 10,492,734	\$ 11,433,785
(9.) Actual Values as of June 30, 2022 [(7.) + (8.)]	\$ 205,181,491	\$ 31,279,680	\$ 357,970,074	\$ 184,068,263

[^] Administrative expenses are covered by a contribution from the College Savings 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.

Beginning with the June 30, 2022 Actuarial Valuation, rows (3.) and (4.) reflect expected cash flows during the previous fiscal year (versus actual reported cash flows, as reflected in prior valuations). This change has no impact to the projected total Surplus/(Deficit) (far right column), but shifts reported experience in the Surplus/(Deficit) (i.e., row (8.) "Change Due to") between columns (i), (ii) and (iii). Specifically, row (8.)(f.) "Other Program experience During Fiscal Year 2022" for the Actuarial Value of Assets (iii) column now reflects the change in the surplus/(deficit) as a result of expected cash flows for the past fiscal year differing from actual cash flows for the fiscal year.

Historical Increase/(Decrease) to Surplus By Source

Fiscal Year Ending	Historical Increase/(Decrease) to Surplus									Surplus/(Deficit)
	Endowment Contributions	Adjustment to Assets	Interest on Surplus/(Deficit)	New Enrollments	Investment Experience	Tuition/Fee Experience	Change in Plan Assumptions	Other Plan Experience		
2014										\$ 48,526,289
2015	\$ 1,820,000	\$ 0	\$ 3,089,769	\$1,914,325	\$ (582,242)	\$ 0	\$ (1,042,096)	\$ 1,984,870		55,710,915
2016	1,820,000	0	3,397,255	938,118	(1,321,632)	0	1,905,703	1,876,866		64,327,225
2017	0	0	3,216,361	1,069,289	929,026	0	0	2,862,782		72,404,683
2018	0	0	3,620,234	288,458	2,793,104	0	9,586,928	2,780,096		91,473,503
2019	0	0	4,136,135	72,212	3,710,145	8,391,334	3,364,083	4,103,356		115,250,768
2020	0	0	6,050,666	504,315	3,824,280	2,902,066	3,947,123	3,176,378		135,655,596
2021	0	0	7,538,630	718,706	17,851,378	2,950,044	(3,078,397)	2,663,402		164,299,359
2022	0	(168,568)	8,206,540	297,147	5,231,888	1,813,323	0	4,388,574		184,068,263

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, 2022

1. Cash	\$ 6,185,544
2. Equity	\$ 180,322,022
3. Fixed Income	\$ 98,568,480
4. Other Investments	\$ 70,755,543
5. Receivables, Payables, Liabilities, Etc.	\$ 507,110
6. Net Assets = (1) + (2) + (3) + (4) + (5)	<u>\$ 356,338,699</u>

Reconciliation of Program Assets

Nevada Prepaid Tuition Program Statement of Changes in Program Market Value of Assets Year Ended June 30, 2022

1. Market Value of Assets at Beginning of Year	
a. From Prior Valuation Report	\$ 393,744,508
b. Adjustment to Beginning of Year Assets	<u>(168,568)</u>
Reported Market Value of Assets = a + b	393,575,940
2. Changes During Year	
a. Additions	
(i) Investment Income	\$ (34,702,574) *
(ii) Contract Payments	13,238,793
(iii) Enrollment and Closure Fees	54,902
(iv) Transfers from Endowment Account	<u>673,238</u> ^
Total Additions = (i) + (ii) + (iii) + (iv)	\$ (20,735,641)
b. Deductions	
(i) Tuition Payments	\$ 12,034,687
(ii) Refunds and Rollovers	3,507,801
(iii) Administration Expenses	668,004 ^
(iv) Investment Expenses	<u>291,108</u>
Total Deductions = (i) + (ii) + (iii) + (iv)	\$ 16,501,600
Net Increases (Decreases) During Year = a - b	<u>\$ (37,237,241)</u>
3. Market Value of Assets at End of Year = 1 + 2	\$ 356,338,699
4. Purchased Interest	\$ -
5. Net Market Value of Assets at End of Year = 3 + 4	<u>\$ 356,338,699</u>

* Investment Income includes -\$13,128 variance in reported assets. Inclusion of this cash flow as investment income does not have a significant effect on valuation results.

^ Administrative expenses are covered by a contribution from the College Savings Endowment Fund.

Development of Actuarial Value of Assets

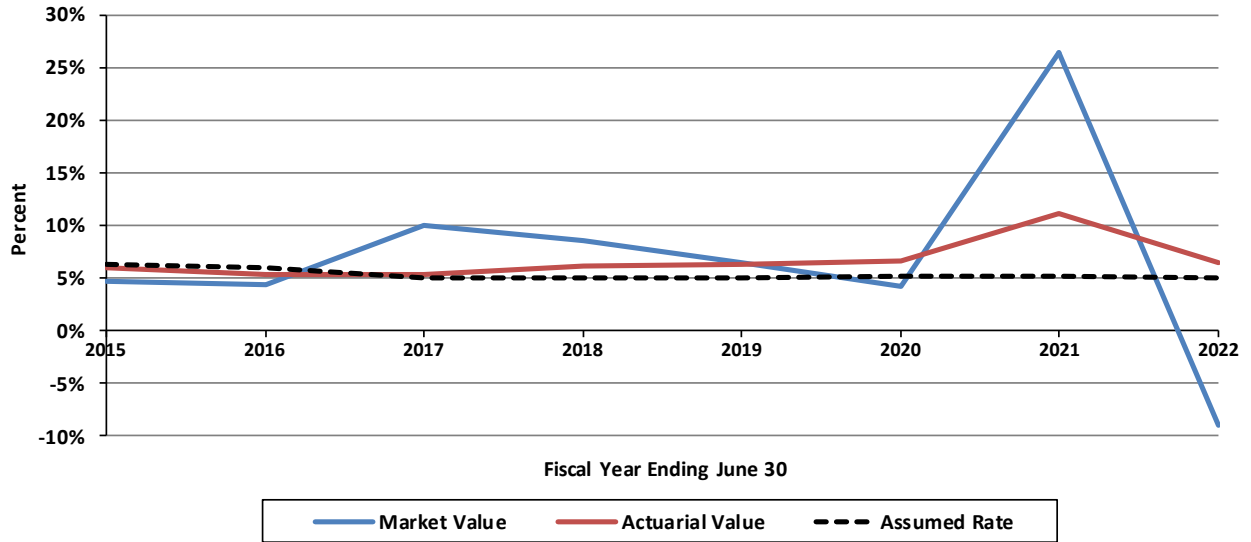
Year Ended June 30	2021	2022	2023	2024	2025	2026
A. Actuarial Value of Assets Beginning of Year*	\$ 305,358,457	\$ 338,131,270				
B. Market Value End of Year	393,744,508	356,338,699				
C. Market Value Beginning of Year*	312,215,969	393,575,940				
D. Non-Investment/Administrative Net Cash Flow						
D1. Contract Payments, Admin Fees, Endowment Contributions	14,836,665	13,966,933				
D2. Tuition Payments, Refunds, Admin Expenses	(15,753,903)	(16,210,492)				
D3. Total Net Cash Flow: D1+D2	(917,238)	(2,243,559)				
E. Investment Return						
E1. Market Total: B-C-D3	82,445,777	(34,993,682)				
E2. Assumed Rate of Return	5.25%	5.00%	5.00%			
E3. Assumed Amount of Return	16,007,241	16,850,475				
E4. Amount Subject to Phase-In: E1-E3	66,438,536	(51,844,157)				
F. Phased-In Recognition of Investment Return						
F1. Current Year: 0.20 x E4	13,287,707	(10,368,831)				
F2. First Prior Year	(468,106)	13,287,707	\$ (10,368,831)			
F3. Second Prior Year	917,041	(468,106)	13,287,707	\$ (10,368,831)		
F4. Third Prior Year	1,864,078	917,041	(468,106)	13,287,707	\$ (10,368,831)	
F5. Fourth Prior Year	2,250,658	1,864,077	917,040	(468,105)	13,287,708	\$ (10,368,833)
F6. Total Phase-Ins	17,851,378	5,231,888	3,367,810	2,450,771	2,918,877	(10,368,833)
G. Actuarial Value of Assets End of Year						
G1. Preliminary Actuarial Value End of Year: A+D3+E3+F6	\$ 338,299,838	\$ 357,970,074				
G2. Upper Corridor Limit: 120% x B	472,493,410	427,606,439				
G3. Lower Corridor Limit: 80% x B	314,995,606	285,070,959				
G4. Actuarial Value of Assets End of Year	\$ 338,299,838	\$ 357,970,074				
H. Difference Between Market and Actuarial Value	55,444,670	(1,631,375)	(4,999,185)	(7,449,956)	(10,368,833)	-
I. Recognized Rate of Return	11.10 %	6.55 %				
J. Estimated Market Rate of Return	26.45 %	(8.92)%				
K. Ratio of Actuarial Value to Market Value	86 %	100 %				
* Includes the Following Adjustments to Beginning of Year Assets:	-	(168,568)				

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.

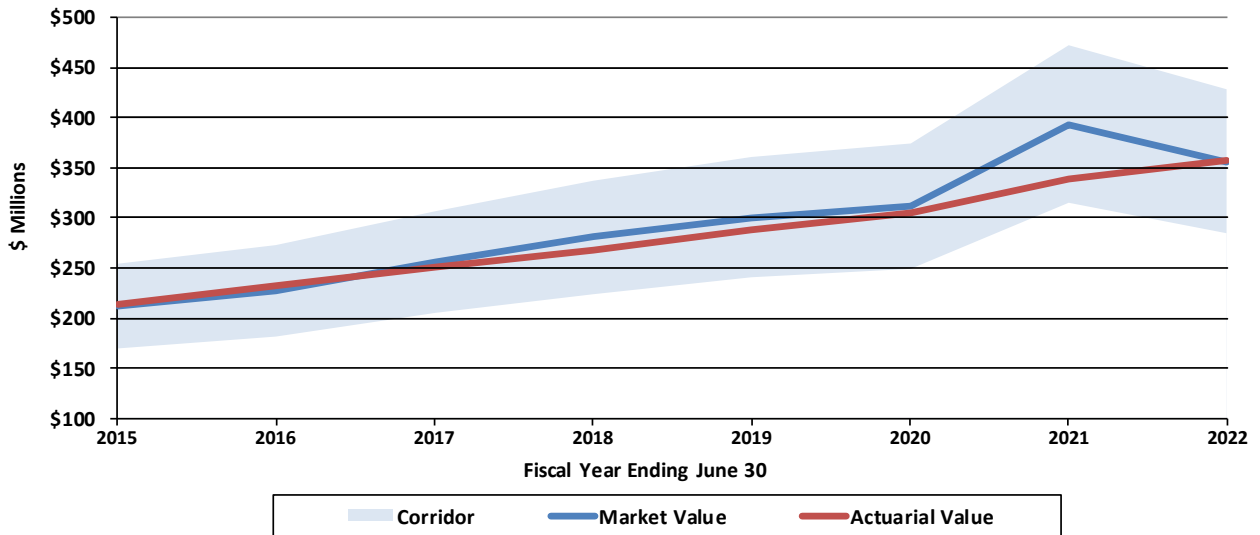


Market Value Versus Actuarial Value of Assets

Comparison of Investment Rates of Return



Comparison of Asset Values

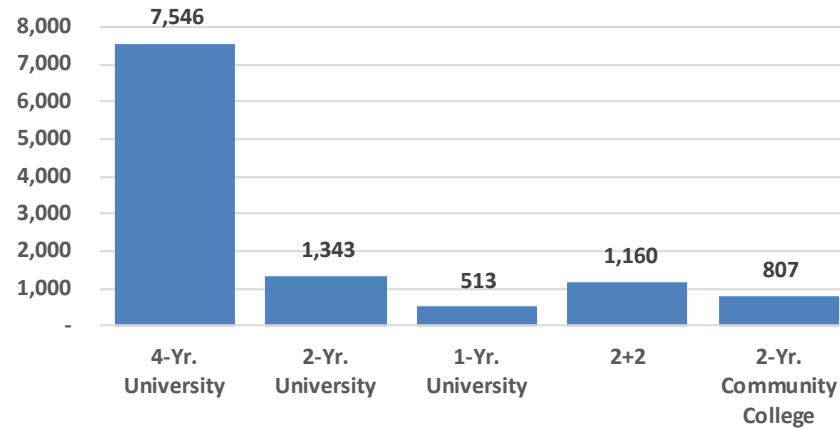


SECTION E

PARTICIPANT DATA

Member Data Beginning to End of Year Summary as of June 30, 2022

	Type of Contract					Total
	4-Yr. University	2-Yr. University	1-Yr. University	2+2	2-Yr. Community College	
Beginning of Year (6/30/2021)	8,179	1,304	484	1,187	835	11,989
New Contracts	284	65	39	58	24	470
Removed Contracts	917	26	10	85	52	1,090
End of Year (6/30/2022)	7,546	1,343	513	1,160	807	11,369



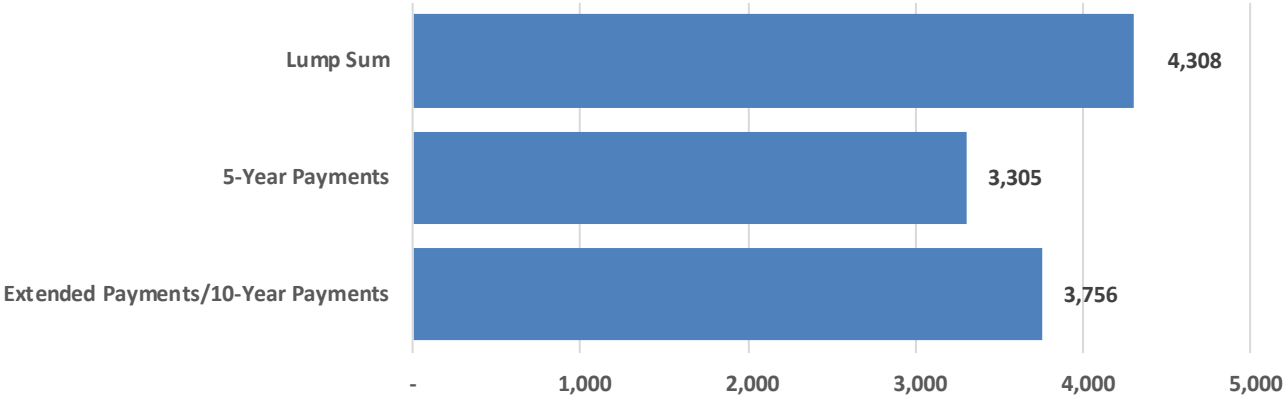
Member Matriculation Summary as of June 30, 2022

Projected Enrollment Year	Type of Contract					2-Yr. Comm. Coll	Total	
	4-Yr. Univ	2-Yr. Univ	1-Yr. Univ	2+2				
2002	3	-	-	1	-	4	0.04%	2002
2003	9	-	-	2	1	12	0.11%	2003
2004	8	-	-	2	-	10	0.09%	2004
2005	14	-	-	2	1	17	0.15%	2005
2006	22	-	-	5	-	27	0.24%	2006
2007	18	1	-	6	2	27	0.24%	2007
2008	21	1	-	8	5	35	0.31%	2008
2009	23	-	-	6	1	30	0.26%	2009
2010	39	1	-	3	1	44	0.39%	2010
2011	52	-	-	8	2	62	0.55%	2011
2012	51	1	-	10	3	65	0.57%	2012
2013	70	-	-	9	4	83	0.73%	2013
2014	84	8	-	14	4	110	0.97%	2014
2015	130	2	-	18	9	159	1.40%	2015
2016	207	8	2	36	8	261	2.30%	2016
2017	208	17	-	35	15	275	2.42%	2017
2018	354	25	3	45	19	446	3.92%	2018
2019	474	36	8	41	25	584	5.14%	2019
2020	419	69	9	63	46	606	5.33%	2020
2021	432	89	30	56	64	671	5.90%	2021
2022	453	97	42	59	64	715	6.29%	2022
2023	448	81	34	65	56	684	6.02%	2023
2024	401	107	46	79	55	688	6.05%	2024
2025	436	110	35	75	55	711	6.25%	2025
2026	398	112	34	62	49	655	5.76%	2026
2027	348	86	43	67	43	587	5.16%	2027
2028	345	70	27	39	46	527	4.64%	2028
2029	325	64	33	57	41	520	4.57%	2029
2030	310	66	38	51	43	508	4.47%	2030
2031	278	73	24	37	36	448	3.94%	2031
2032	252	47	18	42	21	380	3.34%	2032
2033	184	35	29	30	22	300	2.64%	2033
2034	212	38	24	38	20	332	2.92%	2034
2035	155	36	18	27	12	248	2.18%	2035
2036	127	19	5	20	12	183	1.61%	2036
2037	105	21	8	19	8	161	1.42%	2037
2038	77	16	2	16	12	123	1.08%	2038
2039	54	7	1	6	2	70	0.62%	2039
2040	-	-	-	1	-	1	0.01%	2040
Total	7,546	1,343	513	1,160	807	11,369	100.00%	
	66.37%	11.81%	4.51%	10.20%	7.10%	100.00%		



Member Payment Option Summary as of June 30, 2022

Contract Payment Type	Type of Contract					Total	
	4-Yr. University	2-Yr. University	1-Yr. University	2+2	2-Yr. Community College		
Lump Sum	3,054	479	271	285	219	4,308	37.89%
5-Year Payments	2,248	335	119	333	270	3,305	29.07%
Extended Payments/10-Year Payments	2,244	529	123	542	318	3,756	33.04%
Total	7,546	1,343	513	1,160	807	11,369	100.00%
	66.37%	11.81%	4.51%	10.20%	7.10%	100.00%	



SECTION F

METHODS AND ASSUMPTIONS

Actuarial 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 Price Inflation (Implicit Assumptions): 2.25%

Assumed Rate of Investment Return, Net of Investment Expenses: 5.00%

Assumed Rate of Tuition Increases:

Academic Year	Community	
	University	College
2023-2024 [#]	2.50%	2.50%
2024-2025 [#]	1.90%	1.90%
2025-2026 [#]	2.70%	2.70%
2026-2027+	4.00%	3.50%

[#] Short-term assumptions 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.

Years of Payment Since Purchase	University Contracts			Community College Contracts [^]		
	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.

Actuarial 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, $\frac{1}{2}$ 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 by the College Savings Endowment Fund.
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:	Middle of the year.
Weighted Average Tuition (WAT) for the 2022/2023 Academic Year:	
○ 4-Year College:	\$7,680.00
○ 2-Year College:	\$3,382.50
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 2-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:

Page Scenario: Description

- G-3 Scenario 1: Current actuarial valuation assumptions.
- G-4 Scenario 2: Tuition increase assumptions are 100 basis points higher than currently assumed.
- G-5 Scenario 3: Tuition increase assumptions are 100 basis points lower than currently assumed.
- G-6 Scenario 4: The investment return assumption is 200 basis points higher than currently assumed.
- G-7 Scenario 5: The investment return assumption is 200 basis points lower than currently assumed.
- G-8 Scenario 6: Tuition increase assumptions are 100 basis points higher and the investment return assumption is 200 basis points lower than currently assumed.
- G-9 Scenario 7: Tuition increase assumptions are 100 basis points lower and the investment return assumption is 200 basis points higher than currently assumed.

The investment return assumption is based upon the Actuarial Valuation of Assets projection purposes. For purposes of this sensitivity testing, future experience was assumed to match the described 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 the following pages for detail 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

(Scenario) Description (Page)	(1) Current Valuation Assumptions (G-3)	(2)	(3)	(4)	(5)	(6)	(7)
		Assumed Tuition Increases +100 Basis Points (G-4)	Assumed Tuition Increases -100 Basis Points (G-5)	Assumed Investment Return +200 Basis Points (G-6)	Assumed Investment Return -200 Basis Points (G-7)	Assumed Tuition Increases +100 Basis Points and Investment Return -200 Basis Points (G-8)	Assumed Tuition Increases -100 Basis Points and Investment Return +200 Basis Points (G-9)
Assumed Rate of Investment Return	5.00%	5.00%	5.00%	7.00%	3.00%	3.00%	7.00%
Assumed Long-Term Tuition Increases (Univ) [#]	4.00%	5.00%	3.00%	4.00%	4.00%	5.00%	3.00%
Assumed Long-Term Tuition Increases (CC) [#]	3.50%	4.50%	2.50%	3.50%	3.50%	4.50%	2.50%
1. Assets							
a. Actuarial Value of Assets	\$358.0	\$358.0	\$358.0	\$358.0	\$358.0	\$358.0	\$358.0
b. Present Value of Future Contract Payments	\$ 31.3	\$ 31.3	\$ 31.3	\$ 29.4	\$ 33.5	\$ 33.5	\$ 29.4
c. Total Assets	\$389.3	\$389.3	\$389.3	\$387.4	\$391.5	\$391.5	\$387.4
2. Liabilities							
a. Present Value of Future Tuition Payments, Fees and Refunds	\$205.2	\$213.1	\$197.8	\$181.3	\$234.9	\$245.0	\$175.4
3. Surplus/(Deficit) (1c. - 2a.)	\$184.1	\$176.2	\$191.5	\$206.1	\$156.6	\$ 146.5	\$212.0
4. Funded Ratio (1c. / 2a.)	189.7%	182.6%	196.8%	213.7%	166.7%	159.8%	220.8%
<u>Increase/(Decrease) from Valuation Assumptions</u>							
Surplus	\$0.0	\$(7.9)	\$7.4	\$22.0	\$(27.5)	\$(37.6)	\$27.9
Funded Ratio	0.0%	(7.1)%	7.1%	24.0%	(23.0)%	(29.9)%	31.1%

[#] Only affects assumptions in Fiscal Years ending 2027 and thereafter.

**Nevada Prepaid Tuition Program
Projection Based on June 30, 2022 Valuation Results**

Input Assumptions	
Assumed Investment Return	5.00%
Assumed Tuition Increases (FYE 2027+)	
University	4.00%
Community College	3.50%

Valuation Results - Scenario 1	
Present Value of Future Tuition Payments, Fees and Refunds	\$205,181,569
Present Value of Future Contract Payments	\$ 31,279,680
June 30, 2022 Actuarial Value of Assets	\$357,970,074
Surplus/(Deficit)	\$184,068,185
Funded Status	189.7%
Year Insolvent	Never

Fiscal Year (FY) Ending June 30	Assumed Investment Return During Year	Assumed Tuition Increase for Universities	Assumed Tuition Increase for Community Colleges	Actuarial Value of Assets (Beginning of FY)	Projected Tuition & Fee Payments	Projected Refund Payments	Projected Contract Payments	Projected Investment Return	Closed Group
									Projected Funded Status (Beginning of FY)
2023	5.00%	N/A	N/A	\$ 357,970,074	\$ 17,968,293	\$ 2,115,827	\$ 7,303,716	\$ 17,506,923	189.7%
2024	5.00%	2.50%	2.50%	362,696,593	18,261,393	1,505,267	6,210,162	17,722,844	199.2%
2025	5.00%	1.90%	1.90%	366,862,938	18,322,293	1,240,359	5,158,060	17,909,960	210.2%
2026	5.00%	2.70%	2.70%	370,368,306	18,729,117	1,198,251	4,124,796	18,048,985	223.0%
2027	5.00%	4.00%	3.50%	372,614,718	18,451,484	924,756	3,327,839	18,156,409	238.6%
2028	5.00%	4.00%	3.50%	374,722,726	18,663,630	706,724	2,688,293	18,245,264	257.1%
2029	5.00%	4.00%	3.50%	376,285,929	18,277,285	524,227	2,272,736	18,328,843	279.9%
2030	5.00%	4.00%	3.50%	378,085,997	17,995,637	421,847	1,775,620	18,417,244	307.8%
2031	5.00%	4.00%	3.50%	379,861,377	17,566,795	309,517	1,355,576	18,510,818	343.0%
2032	5.00%	4.00%	3.50%	381,851,459	16,622,516	243,094	997,791	18,630,438	388.0%
2033	5.00%	4.00%	3.50%	384,614,078	15,875,416	190,471	724,985	18,784,740	445.7%
2034	5.00%	4.00%	3.50%	388,057,917	14,610,381	151,054	535,037	18,989,803	522.3%
2035	5.00%	4.00%	3.50%	392,821,322	13,703,747	106,957	356,625	19,250,879	624.0%
2036	5.00%	4.00%	3.50%	398,618,121	12,429,856	74,374	238,535	19,575,452	767.1%
2037	5.00%	4.00%	3.50%	405,927,878	10,898,069	49,120	154,859	19,983,801	972.5%
2038	5.00%	4.00%	3.50%	415,119,349	9,584,232	28,139	95,727	20,480,432	1,000.0%+
2039	5.00%	4.00%	3.50%	426,083,137	8,176,446	11,672	45,069	21,068,495	1,000.0%+
2040	5.00%	4.00%	3.50%	439,008,582	6,840,406	1,068	3,915	21,752,655	1,000.0%+
2041	5.00%	4.00%	3.50%	453,923,677	4,858,856	11	-	22,555,651	1,000.0%+
2042	5.00%	4.00%	3.50%	471,620,460	3,331,777	-	-	23,484,658	1,000.0%+
2043	5.00%	4.00%	3.50%	491,773,342	2,063,267	-	-	24,528,991	1,000.0%+
2044	5.00%	4.00%	3.50%	514,239,066	1,100,925	-	-	25,680,111	1,000.0%+
2045	5.00%	4.00%	3.50%	538,818,252	372,360	-	-	26,930,143	1,000.0%+
2046	5.00%	4.00%	3.50%	565,376,035	6,358	-	-	28,268,618	1,000.0%+
2047	5.00%	4.00%	3.50%	593,638,295	-	-	-	29,681,915	1,000.0%+



Nevada Prepaid Tuition Program
Projection Based on June 30, 2022 Sensitivity Testing with Assumed Tuition Increases +100 Basis Points

Input Assumptions	
Assumed Investment Return	5.00%
Assumed Tuition Increases (FYE 2027+)	
University	5.00%
Community College	4.50%

Estimated Results - Scenario 2	
Present Value of Future Tuition Payments, Fees and Refunds	\$213,127,519
Present Value of Future Contract Payments	\$ 31,279,680
June 30, 2022 Actuarial Value of Assets	\$357,970,074
Surplus/(Deficit)	\$176,122,235
Funded Status	182.6%
Year Insolvent	Never

Fiscal Year (FY) Ending June 30	Assumed Investment Return During Year	Assumed Tuition Increase for Universities	Assumed Tuition Increase for Community Colleges	Actuarial Value of Assets (Beginning of FY)	Projected Tuition & Fee Payments	Projected Refund Payments	Projected Contract Payments	Projected Investment Return	Closed Group Projected Funded Status (Beginning of FY)
2023	5.00%	N/A	N/A	\$ 357,970,074	\$ 17,968,293	\$ 2,115,827	\$ 7,303,716	\$ 17,506,923	182.6%
2024	5.00%	2.50%	2.50%	362,696,593	18,261,393	1,505,267	6,210,162	17,722,844	191.0%
2025	5.00%	1.90%	1.90%	366,862,938	18,322,293	1,240,359	5,158,060	17,909,960	200.6%
2026	5.00%	2.70%	2.70%	370,368,306	18,729,117	1,198,251	4,124,796	18,048,985	211.7%
2027	5.00%	5.00%	4.50%	372,614,718	18,628,944	924,756	3,327,839	18,151,276	225.1%
2028	5.00%	5.00%	4.50%	374,540,133	19,024,353	706,724	2,688,293	18,225,701	240.9%
2029	5.00%	5.00%	4.50%	375,723,050	18,809,711	524,227	2,272,736	18,285,299	260.3%
2030	5.00%	5.00%	4.50%	376,947,148	18,697,970	421,847	1,775,620	18,339,988	284.0%
2031	5.00%	5.00%	4.50%	377,942,939	18,427,929	309,517	1,355,576	18,389,989	313.7%
2032	5.00%	5.00%	4.50%	378,951,058	17,605,067	243,094	997,791	18,457,000	351.7%
2033	5.00%	5.00%	4.50%	380,557,688	16,975,494	190,471	724,985	18,550,103	400.0%
2034	5.00%	5.00%	4.50%	382,666,811	15,773,036	151,054	535,037	18,686,620	464.0%
2035	5.00%	5.00%	4.50%	385,964,379	14,936,540	106,957	356,625	18,872,376	548.6%
2036	5.00%	5.00%	4.50%	390,149,882	13,678,336	74,374	238,535	19,115,930	667.2%
2037	5.00%	5.00%	4.50%	395,751,638	12,108,021	49,120	154,859	19,439,993	836.8%
2038	5.00%	5.00%	4.50%	403,189,350	10,750,699	28,139	95,727	19,850,195	1,000.0%+
2039	5.00%	5.00%	4.50%	412,356,433	9,259,786	11,672	45,069	20,350,826	1,000.0%+
2040	5.00%	5.00%	4.50%	423,480,869	7,821,206	1,068	3,915	20,947,901	1,000.0%+
2041	5.00%	5.00%	4.50%	436,610,411	5,608,937	11	-	21,668,293	1,000.0%+
2042	5.00%	5.00%	4.50%	452,669,756	3,883,079	-	-	22,521,178	1,000.0%+
2043	5.00%	5.00%	4.50%	471,307,855	2,427,789	-	-	23,495,174	1,000.0%+
2044	5.00%	5.00%	4.50%	492,375,240	1,307,886	-	-	24,580,934	1,000.0%+
2045	5.00%	5.00%	4.50%	515,648,287	446,610	-	-	25,769,497	1,000.0%+
2046	5.00%	5.00%	4.50%	540,971,174	7,699	-	-	27,048,336	1,000.0%+
2047	5.00%	5.00%	4.50%	568,011,812	-	-	-	28,400,591	1,000.0%+



Nevada Prepaid Tuition Program
Projection Based on June 30, 2022 Sensitivity Testing with Assumed Tuition Increases -100 Basis Points

Input Assumptions	
Assumed Investment Return	5.00%
Assumed Tuition Increases (FYE 2027+)	
University	3.00%
Community College	2.50%

Estimated Results - Scenario 3	
Present Value of Future Tuition Payments, Fees and Refunds	\$197,808,118
Present Value of Future Contract Payments	\$ 31,279,680
June 30, 2022 Actuarial Value of Assets	\$357,970,074
Surplus/(Deficit)	\$191,441,636
Funded Status	196.8%
Year Insolvent	Never

Fiscal Year (FY) Ending June 30	Assumed Investment Return During Year	Assumed Tuition Increase for Universities	Assumed Tuition Increase for Community Colleges	Actuarial Value of Assets (Beginning of FY)	Projected Tuition & Fee Payments	Projected Refund Payments	Projected Contract Payments	Projected Investment Return	Closed Group Projected Funded Status (Beginning of FY)
2023	5.00%	N/A	N/A	\$ 357,970,074	\$ 17,968,293	\$ 2,115,827	\$ 7,303,716	\$ 17,506,923	196.8%
2024	5.00%	2.50%	2.50%	362,696,593	18,261,393	1,505,267	6,210,162	17,722,844	207.5%
2025	5.00%	1.90%	1.90%	366,862,938	18,322,293	1,240,359	5,158,060	17,909,960	219.9%
2026	5.00%	2.70%	2.70%	370,368,306	18,729,117	1,198,251	4,124,796	18,048,985	234.5%
2027	5.00%	3.00%	2.50%	372,614,718	18,274,023	924,756	3,327,839	18,161,541	252.6%
2028	5.00%	3.00%	2.50%	374,905,319	18,306,359	706,724	2,688,293	18,264,727	274.1%
2029	5.00%	3.00%	2.50%	376,845,256	17,755,001	524,227	2,272,736	18,371,915	300.7%
2030	5.00%	3.00%	2.50%	379,210,679	17,313,278	421,847	1,775,620	18,493,214	333.4%
2031	5.00%	3.00%	2.50%	381,744,388	16,738,158	309,517	1,355,576	18,628,935	374.8%
2032	5.00%	3.00%	2.50%	384,681,224	15,686,094	243,094	997,791	18,799,010	428.1%
2033	5.00%	3.00%	2.50%	388,548,838	14,837,018	190,471	724,985	19,011,511	496.4%
2034	5.00%	3.00%	2.50%	393,257,846	13,523,416	151,054	535,037	19,281,238	587.7%
2035	5.00%	3.00%	2.50%	399,399,651	12,562,242	106,957	356,625	19,612,811	709.3%
2036	5.00%	3.00%	2.50%	406,699,887	11,284,888	74,374	238,535	20,012,656	881.2%
2037	5.00%	3.00%	2.50%	415,591,816	9,799,052	49,120	154,859	20,498,784	1,000.0%+
2038	5.00%	3.00%	2.50%	426,397,287	8,534,850	28,139	95,727	21,074,680	1,000.0%+
2039	5.00%	3.00%	2.50%	439,004,705	7,211,175	11,672	45,069	21,742,491	1,000.0%+
2040	5.00%	3.00%	2.50%	453,569,418	5,974,860	1,068	3,915	22,505,731	1,000.0%+
2041	5.00%	3.00%	2.50%	470,103,135	4,203,249	11	-	23,383,586	1,000.0%+
2042	5.00%	3.00%	2.50%	489,283,461	2,854,519	-	-	24,381,612	1,000.0%+
2043	5.00%	3.00%	2.50%	510,810,553	1,750,722	-	-	25,489,892	1,000.0%+
2044	5.00%	3.00%	2.50%	534,549,723	925,173	-	-	26,700,727	1,000.0%+
2045	5.00%	3.00%	2.50%	560,325,278	309,909	-	-	28,007,300	1,000.0%+
2046	5.00%	3.00%	2.50%	588,022,669	5,241	-	-	29,400,982	1,000.0%+
2047	5.00%	3.00%	2.50%	617,418,410	-	-	-	30,870,920	1,000.0%+



Nevada Prepaid Tuition Program
Projection Based on June 30, 2022 Sensitivity Testing with Assumed Investment Return +200 Basis Points

Input Assumptions	
Assumed Investment Return	7.00%
Assumed Tuition Increases (FYE 2027+)	
University	4.00%
Community College	3.50%

Estimated Results - Scenario 4	
Present Value of Future Tuition Payments, Fees and Refunds	\$181,282,347
Present Value of Future Contract Payments	\$ 29,368,127
June 30, 2022 Actuarial Value of Assets	\$357,970,074
Surplus/(Deficit)	\$206,055,854
Funded Status	213.7%
Year Insolvent	Never

Fiscal Year (FY) Ending June 30	Assumed Investment Return During Year	Assumed Tuition Increase for Universities	Assumed Tuition Increase for Community Colleges	Actuarial Value of Assets (Beginning of FY)	Projected Tuition & Fee Payments	Projected Refund Payments	Projected Contract Payments	Projected Investment Return	Closed Group Projected Funded Status (Beginning of FY)
2023	7.00%	N/A	N/A	\$ 357,970,074	\$ 17,968,293	\$ 2,115,827	\$ 7,303,716	\$ 24,511,209	213.7%
2024	7.00%	2.50%	2.50%	369,700,879	18,261,393	1,505,267	6,210,162	25,303,916	227.4%
2025	7.00%	1.90%	1.90%	381,448,297	18,322,293	1,240,359	5,158,060	26,096,692	243.3%
2026	7.00%	2.70%	2.70%	393,140,396	18,729,117	1,198,251	4,124,796	26,864,616	262.0%
2027	7.00%	4.00%	3.50%	404,202,439	18,451,484	924,756	3,327,839	27,632,153	285.0%
2028	7.00%	4.00%	3.50%	415,786,192	18,663,630	706,724	2,688,293	28,419,950	312.4%
2029	7.00%	4.00%	3.50%	427,524,080	18,277,285	524,227	2,272,736	29,249,176	346.5%
2030	7.00%	4.00%	3.50%	440,244,481	17,995,637	421,847	1,775,620	30,137,389	388.5%
2031	7.00%	4.00%	3.50%	453,740,007	17,566,795	309,517	1,355,576	31,088,796	441.9%
2032	7.00%	4.00%	3.50%	468,308,067	16,622,516	243,094	997,791	32,136,646	510.8%
2033	7.00%	4.00%	3.50%	484,576,894	15,875,416	190,471	724,985	33,298,041	599.7%
2034	7.00%	4.00%	3.50%	502,534,034	14,610,381	151,054	535,037	34,600,918	718.9%
2035	7.00%	4.00%	3.50%	522,908,555	13,703,747	106,957	356,625	36,059,105	878.2%
2036	7.00%	4.00%	3.50%	545,513,580	12,429,856	74,374	238,535	37,689,929	1,000.0%+
2037	7.00%	4.00%	3.50%	570,937,815	10,898,069	49,120	154,859	39,529,438	1,000.0%+
2038	7.00%	4.00%	3.50%	599,674,923	9,584,232	28,139	95,727	41,592,750	1,000.0%+
2039	7.00%	4.00%	3.50%	631,751,029	8,176,446	11,672	45,069	43,893,719	1,000.0%+
2040	7.00%	4.00%	3.50%	667,501,698	6,840,406	1,068	3,915	46,449,137	1,000.0%+
2041	7.00%	4.00%	3.50%	707,113,276	4,858,856	11	-	49,301,825	1,000.0%+
2042	7.00%	4.00%	3.50%	751,556,234	3,331,777	-	-	52,474,466	1,000.0%+
2043	7.00%	4.00%	3.50%	800,698,923	2,063,267	-	-	55,965,651	1,000.0%+
2044	7.00%	4.00%	3.50%	854,601,307	1,100,925	-	-	59,777,658	1,000.0%+
2045	7.00%	4.00%	3.50%	913,278,040	372,360	-	-	63,914,434	1,000.0%+
2046	7.00%	4.00%	3.50%	976,820,114	6,358	-	-	68,377,151	1,000.0%+
2047	7.00%	4.00%	3.50%	1,045,190,907	-	-	-	73,163,364	1,000.0%+



Nevada Prepaid Tuition Program
Projection Based on June 30, 2022 Sensitivity Testing with Assumed Investment Return -200 Basis Points

Input Assumptions	
Assumed Investment Return	3.00%
Assumed Tuition Increases (FYE 2027+)	
University	4.00%
Community College	3.50%

Estimated Results - Scenario 5	
Present Value of Future Tuition Payments, Fees and Refunds	\$234,861,128
Present Value of Future Contract Payments	\$ 33,461,971
June 30, 2022 Actuarial Value of Assets	\$357,970,074
Surplus/(Deficit)	\$156,570,917
Funded Status	166.7%
Year Insolvent	Never

Fiscal Year (FY) Ending June 30	Assumed Investment Return During Year	Assumed Tuition Increase for Universities	Assumed Tuition Increase for Community Colleges	Actuarial Value of Assets (Beginning of FY)	Projected Tuition & Fee Payments	Projected Refund Payments	Projected Contract Payments	Projected Investment Return	Closed Group Projected Funded Status (Beginning of FY)
2023	3.00%	N/A	N/A	\$ 357,970,074	\$ 17,968,293	\$ 2,115,827	\$ 7,303,716	\$ 10,503,492	166.7%
2024	3.00%	2.50%	2.50%	355,693,162	18,261,393	1,505,267	6,210,162	10,422,890	172.8%
2025	3.00%	1.90%	1.90%	352,559,553	18,322,293	1,240,359	5,158,060	10,316,100	179.9%
2026	3.00%	2.70%	2.70%	348,471,061	18,729,117	1,198,251	4,124,796	10,171,605	188.0%
2027	3.00%	4.00%	3.50%	342,840,093	18,451,484	924,756	3,327,839	9,999,716	197.9%
2028	3.00%	4.00%	3.50%	336,791,408	18,663,630	706,724	2,688,293	9,808,286	209.6%
2029	3.00%	4.00%	3.50%	329,917,633	18,277,285	524,227	2,272,736	9,605,329	223.9%
2030	3.00%	4.00%	3.50%	322,994,187	17,995,637	421,847	1,775,620	9,396,652	241.3%
2031	3.00%	4.00%	3.50%	315,748,976	17,566,795	309,517	1,355,576	9,182,181	263.1%
2032	3.00%	4.00%	3.50%	308,410,421	16,622,516	243,094	997,791	8,974,128	290.8%
2033	3.00%	4.00%	3.50%	301,516,729	15,875,416	190,471	724,985	8,777,047	325.9%
2034	3.00%	4.00%	3.50%	294,952,875	14,610,381	151,054	535,037	8,599,916	372.4%
2035	3.00%	4.00%	3.50%	289,326,393	13,703,747	106,957	356,625	8,444,907	433.5%
2036	3.00%	4.00%	3.50%	284,317,221	12,429,856	74,374	238,535	8,315,539	518.8%
2037	3.00%	4.00%	3.50%	280,367,065	10,898,069	49,120	154,859	8,222,835	640.3%
2038	3.00%	4.00%	3.50%	277,797,570	9,584,232	28,139	95,727	8,168,058	817.3%
2039	3.00%	4.00%	3.50%	276,448,984	8,176,446	11,672	45,069	8,151,603	1,000.0%+
2040	3.00%	4.00%	3.50%	276,457,538	6,840,406	1,068	3,915	8,174,667	1,000.0%+
2041	3.00%	4.00%	3.50%	277,794,646	4,858,856	11	-	8,249,240	1,000.0%+
2042	3.00%	4.00%	3.50%	281,185,018	3,331,777	-	-	8,377,540	1,000.0%+
2043	3.00%	4.00%	3.50%	286,230,780	2,063,267	-	-	8,550,999	1,000.0%+
2044	3.00%	4.00%	3.50%	292,718,512	1,100,925	-	-	8,762,387	1,000.0%+
2045	3.00%	4.00%	3.50%	300,379,974	372,360	-	-	9,004,916	1,000.0%+
2046	3.00%	4.00%	3.50%	309,012,530	6,358	-	-	9,270,265	1,000.0%+
2047	3.00%	4.00%	3.50%	318,276,437	-	-	-	9,548,293	1,000.0%+



Nevada Prepaid Tuition Program
Projection Based on June 30, 2022 Sensitivity Testing with Assumed Tuition Increases +100 Basis Points
& Assumed Investment Return -200 Basis Points

Input Assumptions	
Assumed Investment Return	3.00%
Assumed Tuition Increases (FYE 2027+)	
University	5.00%
Community College	4.50%

Estimated Results - Scenario 6	
Present Value of Future Tuition Payments, Fees and Refunds	\$244,952,821
Present Value of Future Contract Payments	\$ 33,461,971
June 30, 2022 Actuarial Value of Assets	\$357,970,074
Surplus/(Deficit)	\$146,479,224
Funded Status	159.8%
Year Insolvent	Never

Fiscal Year (FY) Ending June 30	Assumed Investment Return During Year	Assumed Tuition Increase for Universities	Assumed Tuition Increase for Community Colleges	Actuarial Value of Assets (Beginning of FY)	Projected Tuition & Fee Payments	Projected Refund Payments	Projected Contract Payments	Projected Investment Return	Closed Group Projected Funded Status (Beginning of FY)
2023	3.00%	N/A	N/A	\$ 357,970,074	\$ 17,968,293	\$ 2,115,827	\$ 7,303,716	\$ 10,503,492	159.8%
2024	3.00%	2.50%	2.50%	355,693,162	18,261,393	1,505,267	6,210,162	10,422,890	165.1%
2025	3.00%	1.90%	1.90%	352,559,553	18,322,293	1,240,359	5,158,060	10,316,100	171.0%
2026	3.00%	2.70%	2.70%	348,471,061	18,729,117	1,198,251	4,124,796	10,171,605	177.9%
2027	3.00%	5.00%	4.50%	342,840,093	18,628,944	924,756	3,327,839	9,996,626	186.2%
2028	3.00%	5.00%	4.50%	336,610,858	19,024,353	706,724	2,688,293	9,796,588	195.9%
2029	3.00%	5.00%	4.50%	329,364,662	18,809,711	524,227	2,272,736	9,579,470	207.7%
2030	3.00%	5.00%	4.50%	321,882,930	18,697,970	421,847	1,775,620	9,351,086	222.1%
2031	3.00%	5.00%	4.50%	313,889,820	18,427,929	309,517	1,355,576	9,111,413	240.0%
2032	3.00%	5.00%	4.50%	305,619,362	17,605,067	243,094	997,791	8,873,288	262.7%
2033	3.00%	5.00%	4.50%	297,642,280	16,975,494	190,471	724,985	8,641,659	291.5%
2034	3.00%	5.00%	4.50%	289,842,960	15,773,036	151,054	535,037	8,426,375	329.3%
2035	3.00%	5.00%	4.50%	282,880,282	14,936,540	106,957	356,625	8,230,059	378.9%
2036	3.00%	5.00%	4.50%	276,423,470	13,678,336	74,374	238,535	8,056,989	447.9%
2037	3.00%	5.00%	4.50%	270,966,284	12,108,021	49,120	154,859	7,919,745	545.9%
2038	3.00%	5.00%	4.50%	266,883,747	10,750,699	28,139	95,727	7,820,334	687.9%
2039	3.00%	5.00%	4.50%	264,020,969	9,259,786	11,672	45,069	7,759,900	910.2%
2040	3.00%	5.00%	4.50%	262,554,480	7,821,206	1,068	3,915	7,740,498	1,000.0%+
2041	3.00%	5.00%	4.50%	262,476,619	5,608,937	11	-	7,776,639	1,000.0%+
2042	3.00%	5.00%	4.50%	264,644,310	3,883,079	-	-	7,871,719	1,000.0%+
2043	3.00%	5.00%	4.50%	268,632,950	2,427,789	-	-	8,016,717	1,000.0%+
2044	3.00%	5.00%	4.50%	274,221,878	1,307,886	-	-	8,203,884	1,000.0%+
2045	3.00%	5.00%	4.50%	281,117,876	446,610	-	-	8,425,760	1,000.0%+
2046	3.00%	5.00%	4.50%	289,097,026	7,699	-	-	8,672,777	1,000.0%+
2047	3.00%	5.00%	4.50%	297,762,104	-	-	-	8,932,863	1,000.0%+



Nevada Prepaid Tuition Program
Projection Based on June 30, 2022 Sensitivity Testing with Assumed Tuition Increases -100 Basis Points
& Assumed Investment Return +200 Basis Points

Input Assumptions	
Assumed Investment Return	7.00%
Assumed Tuition Increases (FYE 2027+)	
University	3.00%
Community College	2.50%

Estimated Results - Scenario 7	
Present Value of Future Tuition Payments, Fees and Refunds	\$175,398,030
Present Value of Future Contract Payments	\$ 29,368,127
June 30, 2022 Actuarial Value of Assets	\$357,970,074
Surplus/(Deficit)	\$211,940,171
Funded Status	220.8%
Year Insolvent	Never

Fiscal Year (FY) Ending June 30	Assumed Investment Return During Year	Assumed Tuition Increase for Universities	Assumed Tuition Increase for Community Colleges	Actuarial Value of Assets (Beginning of FY)	Projected Tuition & Fee Payments	Projected Refund Payments	Projected Contract Payments	Projected Investment Return	Closed Group Projected Funded Status (Beginning of FY)
2023	7.00%	N/A	N/A	\$ 357,970,074	\$ 17,968,293	\$ 2,115,827	\$ 7,303,716	\$ 24,511,209	220.8%
2024	7.00%	2.50%	2.50%	369,700,879	18,261,393	1,505,267	6,210,162	25,303,916	236.0%
2025	7.00%	1.90%	1.90%	381,448,297	18,322,293	1,240,359	5,158,060	26,096,692	253.7%
2026	7.00%	2.70%	2.70%	393,140,396	18,729,117	1,198,251	4,124,796	26,864,616	274.7%
2027	7.00%	3.00%	2.50%	404,202,439	18,274,023	924,756	3,327,839	27,639,315	300.9%
2028	7.00%	3.00%	2.50%	415,970,814	18,306,359	706,724	2,688,293	28,447,293	332.2%
2029	7.00%	3.00%	2.50%	428,093,317	17,755,001	524,227	2,272,736	29,310,102	371.4%
2030	7.00%	3.00%	2.50%	441,396,926	17,313,278	421,847	1,775,620	30,245,600	419.9%
2031	7.00%	3.00%	2.50%	455,683,022	16,738,158	309,517	1,355,576	31,258,251	481.8%
2032	7.00%	3.00%	2.50%	471,249,174	15,686,094	243,094	997,791	32,380,318	562.0%
2033	7.00%	3.00%	2.50%	488,698,095	14,837,018	190,471	724,985	33,628,435	666.0%
2034	7.00%	3.00%	2.50%	508,024,027	13,523,416	151,054	535,037	35,029,088	806.0%
2035	7.00%	3.00%	2.50%	529,913,682	12,562,242	106,957	356,625	36,595,535	994.1%
2036	7.00%	3.00%	2.50%	554,196,643	11,284,888	74,374	238,535	38,343,954	1,000.0%+
2037	7.00%	3.00%	2.50%	581,419,871	9,799,052	49,120	154,859	40,307,539	1,000.0%+
2038	7.00%	3.00%	2.50%	612,034,096	8,534,850	28,139	95,727	42,500,245	1,000.0%+
2039	7.00%	3.00%	2.50%	646,067,078	7,211,175	11,672	45,069	44,934,801	1,000.0%+
2040	7.00%	3.00%	2.50%	683,824,101	5,974,860	1,068	3,915	47,626,639	1,000.0%+
2041	7.00%	3.00%	2.50%	725,478,727	4,203,249	11	-	50,613,867	1,000.0%+
2042	7.00%	3.00%	2.50%	771,889,334	2,854,519	-	-	53,917,045	1,000.0%+
2043	7.00%	3.00%	2.50%	822,951,859	1,750,722	-	-	57,535,971	1,000.0%+
2044	7.00%	3.00%	2.50%	878,737,108	925,173	-	-	61,474,258	1,000.0%+
2045	7.00%	3.00%	2.50%	939,286,193	309,909	-	-	65,737,526	1,000.0%+
2046	7.00%	3.00%	2.50%	1,004,713,809	5,241	-	-	70,329,755	1,000.0%+
2047	7.00%	3.00%	2.50%	1,075,038,324	-	-	-	75,252,683	1,000.0%+

