Single Audit Report
June 30, 2023

State of Nevada

State Of Nevada
Single Audit Report
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Independent Auditor's Report

The Honorable Andy Matthews
State Controller
Carson City, Nevada

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nevada (the State), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

Qualified Opinions on the Governmental Activities and General Fund

In our opinion, based on our audit and reports of other auditors, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the State, as of June 30, 2023, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Legislative internally designated fund, a part of the general fund, which represent 1.60 percent of the assets and deferred outflows of resources, 4.55 percent of fund balance, and 1.29 percent of the revenues of the general fund.

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

Unmodified Opinions on Business-Type Activities, Aggregate Discretely Presented Component Units, Each Major Fund Other Than General Fund, and the Aggregate Remaining Fund Information

In our opinion, based on our audit and reports of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component units, each major fund other than the general fund, and the aggregate remaining fund information of the State, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the following:

- the financial statements of the Nevada System of Higher Education, a discretely presented component unit. The financial statements of the Nevada System of Higher Education represent 98.03 percent of assets and deferred outflows of resources, 99.58 percent of net position, and 98.03 percent of revenues of the aggregate discretely presented component units;
- the financial statements of the Colorado River Commission, a discretely presented component unit, which represent 1.57 percent of assets and deferred outflows of resources, less than one percent of net position, and 1.93 percent of revenues of the aggregate discretely presented component units;
- the financial statements of the Pension Trust Funds, a part of the Pension and Other Employee Benefits Trust Fund, which in the aggregate, represent 56.45 percent of the assets and deferred outflows of resources, 57.44 percent of the net position and 33.34 percent of the revenues of the aggregate remaining fund information;
- the financial statements of the Retirement Benefits Investment Fund – Investment Trust Fund, which represent less than one percent of the assets and deferred outflows of resources, net position and revenues of the aggregate remaining fund information.
- the financial statements of the Vanguard, Future Path, USAA, and Putnam Nevada College Savings Plans, a part of the Nevada College Savings Plan Private Purpose Trust Fund, which represent 36.47 percent of the assets and deferred outflows of resources, 37.15 percent of the net position and 28.93 percent of the revenues of the aggregate remaining fund information;
- the financial statements of the Insurance Premiums and Printing Internal Service Funds which represent less than one percent of the assets and deferred outflows of resources, net position and revenues of the aggregate remaining fund information.

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

Basis for Qualified and Unmodified Opinions

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

Matter Giving Rise to Qualified Opinion on the Governmental Activities and General Fund

We were unable to obtain sufficient appropriate audit evidence on the State's governmental activities inventory as it relates to the general fund's beginning of year Division of Emergency Management's inventory. As a result, we were unable to determine whether additional adjustments were necessary to beginning net position/fund balance or change in net position or fund balance in the governmental activities and general fund.

Correction of Errors

As discussed in Note 19 to the financial statements, the State corrected errors related to amortization expense, tax revenue, inventory, capitation expenditures, and payments to other governments. These errors resulted in a restatement of fund balance and net position as of July 1, 2022. Our opinions are not modified with respect to these matters.

Change in Accounting Principle

As discussed in Note 19 to the financial statements, the State has adopted the provisions of GASB Statement No. 91, *Conduit Debt Obligations*, which has resulted in a restatement of the net position of the Business-Type Activities and Housing Division Enterprise Fund as of July 1, 2022. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 15, the budgetary comparison information, the notes to required supplementary information-budgetary reporting, the pension plan information, the postemployment benefits other than pensions (OPEB) information, and the schedule of infrastructure condition and maintenance data, collectively presented on pages 95 through 104 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the- basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2025, on our consideration of the State's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State's internal control over financial reporting and compliance.

Eide Bailly LLP

Reno, Nevada
August 15, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

State of Nevada (the State of Nevada/State) management provides this discussion and analysis of the State of Nevada's Annual Comprehensive Financial Report (ACFR) for readers of the State's financial statements. This narrative overview and analysis of the financial activities of the State of Nevada is for the fiscal year ended June 30, 2023. Readers should consider this information in conjunction with the additional information furnished in the letter of transmittal.

HIGHLIGHTS

Government-wide:

- Total assets and deferred outflows of resources of the State exceeded liabilities and deferred inflows of resources by $16.6 billion (reported as net position). Of this amount, $10.3 billion is net investment in capital assets and $5.0 billion is restricted for specific uses, neither of which are available to meet the State's general obligations. In addition, $1.3 billion is reported as unrestricted, which may be used to meet the government's ongoing obligations.
- The State's total net position increased by $3.4 billion, or 26.3%, over the prior year, after restatement. Net position of governmental activities increased by $2.8 billion, or 24.4% after restatement. Net position of business-type activities increased by $684.0 million, or 38.2% after restatement. Beginning net positions of governmental activities and business-type activities were restated for misstatements in the prior year. The increase to beginning net position of governmental activities in the amount of $319.1 million was for an understatement of tax revenue and an overstatement of medicaid capitation expense. The increase to beginning net position of business-type activities in the amount of $2.8 million was for an overstatement of amortization expense, an overstatement of inventory, and adoption of an accounting principle. The restatements are discussed in more detail in Note 19 to the financial statements.

Fund-level:

- The State's governmental funds reported combined ending fund balances of $6.3 billion, an increase of $2.3 billion from the prior year, after restatement. Of the ending fund balance, $806.9 million is nonspendable, $1.7 billion is restricted, $5.0 billion is committed, and a deficit $1.1 billion is unassigned.
- The State's enterprise funds reported combined ending net position of $2.5 billion, an increase of $684.6 million from the prior year, after restatement. Of the ending net position, a deficit $1.7 million is net investment in capital assets, $2.4 billion is restricted, and $63.3 million is unrestricted. Begining net position of the Housing Division was restated by an increase of $2.8 million to remove conduit debt obligations previously carried as liabilities. Non-major enterprise funds beginning net position was restated by a decrease of $4.0 thousand.

Capital Assets and Long-term Debt:

- The State's total capital assets, net of depreciation and amortization, increased by $157.7 million or 1.4%, after restatement.
- The State's total long-term debt, including current portion, decreased by $168.4 million or 5.0%, after restatment.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements:

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

The *statement of net position* presents all of the State's assets, liabilities, and deferred outflows/inflows of resources with the difference being reported as "net position." The statement combines and consolidates all of the State's current financial resources with capital

assets and long-term obligations. Over time, increases and decreases in net position measure whether the State's financial position is improving or deteriorating.

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

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

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

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

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

Fund Financial Statements:

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

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

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

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

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

Notes to the Financial Statements:

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

Required Supplementary Information:

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

Other Supplementary Information:

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The State's overall financial position and operations for the fiscal years ended June 30, 2023 and 2022, for the primary government are summarized in the following statements based on the information included in the government-wide financial statements. The 2022 figures in the table below are before restatement in Note 19 and before including the adoption of GASB Statement No. 96.

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

	Governmental Activities		Business-type Activities		Total		Total Change
	2023	2022	2023	2022	2023	2022	2023-2022
Assets							
Current and other assets	$ 12,201,787	$ 10,247,491	$ 3,465,055	$ 3,531,382	$ 15,666,842	$ 13,778,873	$ 1,887,969
Capital assets	12,133,164	11,623,640	6,059	7,343	12,139,223	11,630,983	508,240
Total assets	24,334,951	21,871,131	3,471,114	3,538,725	27,806,065	25,409,856	2,396,209
Deferred outflows of resources	1,047,568	998,146	18,987	17,747	1,066,555	1,015,893	50,662
Liabilities							
Other liabilities	4,807,784	5,289,998	224,554	274,026	5,032,338	5,564,024	(531,686)
Non-current liabilities	6,246,676	4,917,762	788,205	1,469,592	7,034,881	6,387,354	647,527
Total liabilities	11,054,460	10,207,760	1,012,759	1,743,618	12,067,219	11,951,378	115,841
Deferred inflows of resources	238,234	1,334,711	4,265	23,755	242,499	1,358,466	(1,115,967)
Net position							
Net investment in capital assets	10,260,352	9,991,360	(1,654)	5,121	10,258,698	9,996,481	262,217
Restricted	2,607,962	1,873,833	2,412,206	1,738,079	5,020,168	3,611,912	1,408,256
Unrestricted (deficit)	1,221,511	(538,387)	62,525	45,899	1,284,036	(492,488)	1,776,524
Total net position	$ 14,089,825	$ 11,326,806	$ 2,473,077	$ 1,789,099	$ 16,562,902	$ 13,115,905	$ 3,446,997

Net Position:

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The State reported net position of $16.6 billion at the end of 2023, compared with $13.1 billion, before restatement, at the end of the previous year.

The largest portion of the State's net position ($10.3 billion) reflects its investment in capital assets such as land, buildings, improvements other than buildings, equipment, software costs, construction in progress, infrastructure and rights-of-way, less any related debt still outstanding that was used to acquire those assets. The State uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the State's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the State's net position ($5.0 billion) represents resources that are subject to external restrictions on how they may be used. At the close of the fiscal year, the State reported an unrestricted net position of $1.3 billion as compared to a $492.5 million deficit in the prior year. The governmental activities and business-type activities components of the unrestricted net position are discussed below.

The unrestricted net position in governmental activities increased by $1.8 billion, before restatement; from a deficit net position of $538.4 million to a net position of $1.2 billion. Changes in governmental activities were a result of several factors, including an increase in the General Fund unrestricted fund balance of $702.4 million and a decrease of $1.1 billion in deferred inflows of resources for unrestricted and unavailable revenue. The deferred inflows of resources are recognized as revenue in the government-wide statement of activities. In business-type activities, the unrestricted net position increased by $16.6 million from a net position of $45.9 million to a net position of $62.5 million. This change is primarily due to increases in the unrestricted net position of the Housing Division fund and Marlette Lake Water System fund in the amounts of $8.7 million and $6.9 million respectively.

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

	Governmental Activities		Business-type Activities		Total		Total Change
	2023	2022	2023	2022	2023	2022	2023-2022
Revenue							
Program revenue							
Charges for services	$ 954,349	$ 995,228	$ 113,928	$ 151,434	$ 1,068,277	$ 1,146,662	$ (78,385)
Operating grants and contributions	9,529,957	9,057,272	109,376	693,501	9,639,333	9,750,773	(111,440)
Capital grants and contributions	22,968	10,590	-	-	22,968	10,590	12,378
General revenues:							
Gaming taxes	1,227,592	1,198,768	-	-	1,227,592	1,198,768	28,824
Sales and use taxes	3,898,789	3,753,145	-	-	3,898,789	3,753,145	145,644
Modified business taxes	832,989	775,402	-	-	832,989	775,402	57,587
Insurance premium taxes	548,440	518,432	-	-	548,440	518,432	30,008
Lodging taxes	256,328	219,011	-	-	256,328	219,011	37,317
Cigarette taxes	135,275	144,069	-	-	135,275	144,069	(8,794)
Commerce taxes	284,296	290,112	-	-	284,296	290,112	(5,816)
Property and transfer taxes	348,892	402,886	-	-	348,892	402,886	(53,994)
Motor and special fuel taxes	344,777	354,982	-	-	344,777	354,982	(10,205)
Other taxes	1,884,833	1,823,073	848,894	682,925	2,733,727	2,505,998	227,729
Unrestricted investment earnings (loss)	117,421	(139,382)	-	-	117,421	(139,382)	256,803
Other general revenues	346,109	368,096	5	6	346,114	368,102	(21,988)
Total revenue	20,733,015	19,771,684	1,072,203	1,527,866	21,805,218	21,299,550	505,668
Expenses							
General government	626,726	392,663	-	-	626,726	392,663	234,063
Health services	5,731,679	5,870,020	-	-	5,731,679	5,870,020	(138,341)
Social services	2,946,950	3,090,778	-	-	2,946,950	3,090,778	(143,828)
Education - K-12	5,801,195	5,425,257	-	-	5,801,195	5,425,257	375,938
Education - higher education	647,738	637,025	-	-	647,738	637,025	10,713
Law, justice and public safety	829,216	849,371	-	-	829,216	849,371	(20,155)
Regulation of business	548,118	595,772	-	-	548,118	595,772	(47,654)
Transportation	878,088	734,275	-	-	878,088	734,275	143,813
Recreation and resource development	228,469	178,761	-	-	228,469	178,761	49,708
Interest on long-term debt	53,966	64,483	-	-	53,966	64,483	(10,517)
Unallocated depreciation	3,396	3,181	-	-	3,396	3,181	215
Unemployment insurance	-	-	321,918	944,445	321,918	944,445	(622,527)
Housing	-	-	14,579	37,288	14,579	37,288	(22,709)
Water loans	-	-	7,451	4,601	7,451	4,601	2,850
Workers' compensation and safety	-	-	30,722	44,028	30,722	44,028	(13,306)
Higher education tuition	-	-	(9,028)	13,548	(9,028)	13,548	(22,576)
Other	-	-	33,924	28,185	33,924	28,185	5,739
Total expenses	18,295,541	17,841,586	399,566	1,072,095	18,695,107	18,913,681	(218,574)
Change in net position before contributions to permanent funds, special items and transfers	2,437,474	1,930,098	672,637	455,771	3,110,111	2,385,869	724,242
Contributions to permanent funds	14,986	30,111	-	-	14,986	30,111	(15,125)
Transfers	(8,560)	(307,534)	8,560	307,534	-	-	-
Change in net position	2,443,900	1,652,675	681,197	763,305	3,125,097	2,415,980	709,117
Net position - beginning, as originally reported	11,326,806	9,730,656	1,789,099	1,025,794	13,115,905	10,756,450	2,359,455
Prior period adjustment	319,119	(56,525)	2,781	-	321,900	(56,525)	378,425
Net position - beginning, as restated	11,645,925	9,674,131	1,791,880	1,025,794	13,437,805	10,699,925	2,737,880
Net position - end of year	$ 14,089,825	$ 11,326,806	$ 2,473,077	$ 1,789,099	$ 16,562,902	$ 13,115,905	$ 3,446,997

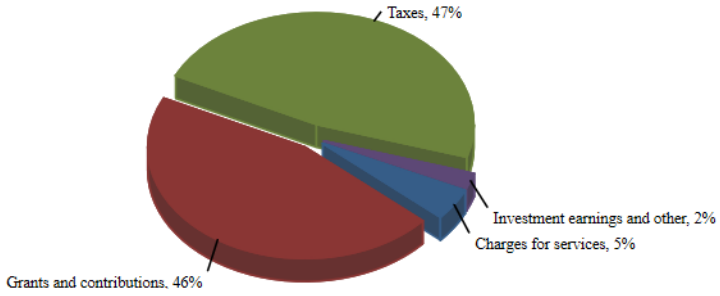
The 2022 figures in the table above are before restatement in Note 19 and before including the adoption of GASB 96.

Changes in Net Position:

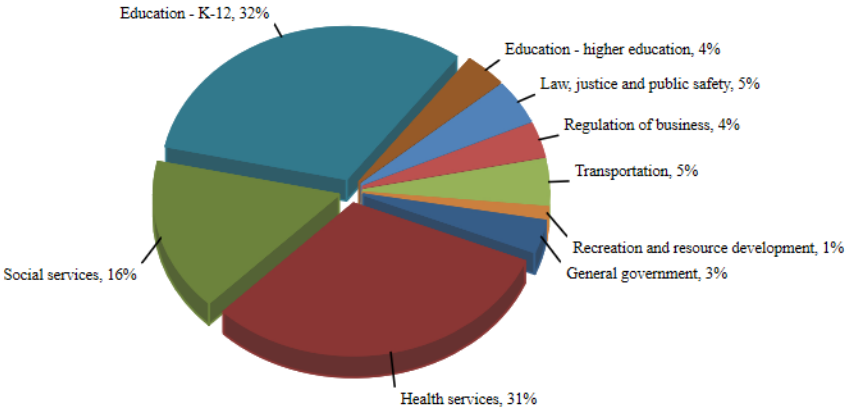
Total government-wide revenues increased by $505.7 million during the current year. The increase in revenues is a result of several factors, including increases of $145.6 million in sales and use taxes, $227.7 million in other taxes, and $256.8 million in unrestricted investment earnings, offset by a decrease of $116.6 million in operating grants and contributions.

Governmental activities – The current year net position increased by $2.4 billion. Approximately 47.1% of the total revenue came from taxes, while 46.1% was in the form of grants and contributions (including federal aid). Charges for various goods and services provided 4.6% of the total revenues (see chart following). The State's governmental activities expenses cover a range of services and the largest expenses were 31.4% for health services, 16.2% for social services, and 31.8% for K-12 education (see chart following). In 2023, governmental activities expenses exceeded program revenues, resulting in the use of $7.7 billion in general revenues, which were generated to support the government.

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



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



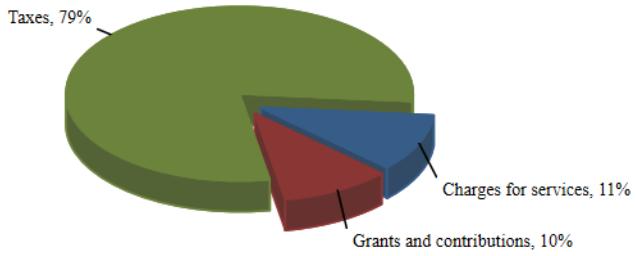
The following table depicts the total program revenues and expenses for each function of governmental activities:

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

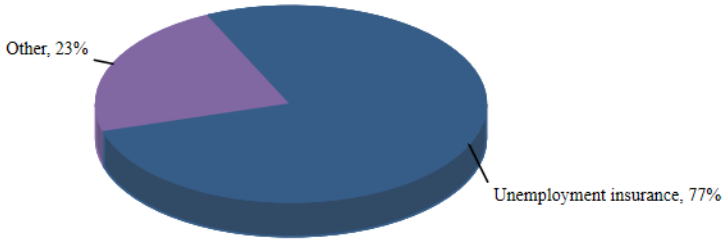
	Expenses	Revenues
General government	$ 626,726	$ 827,617
Health services	5,731,679	4,710,892
Social services	2,946,950	2,320,621
Education - K-12	5,801,195	1,183,343
Education - higher education	647,738	461
Law, justice and public safety	829,216	377,876
Regulation of business	548,118	443,089
Transportation	878,088	479,584
Recreation and resource development	228,469	163,791
Total	$ 18,238,179	$ 10,507,274

Business-type activities – The current year net position increased by $681.2 million. Approximately 79.2% of the total revenue came from taxes, while 10.2% was in the form of grants and contributions (including federal aid). Charges for various goods and services provided 10.6% of the total revenues (see chart following). The State's business-type activities expenses cover a range of services. The largest expenses were 80.6% for unemployment compensation (see chart following). In 2023, business-type activities expenses exceeded program revenues by $176.3 million. Of this amount, unemployment compensation was the largest, with net expenses of $286.4 million, resulting in the use of general revenues generated by and restricted to the Unemployment Compensation Fund.

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



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



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

Revenues and Expenses by Function: Business-type Activities
(expressed in thousands)

	Expenses	Revenues
Unemployment insurance	$ 321,918	$ 35,477
Housing	14,579	25,377
Water loans	7,451	33,221
Workers' compensation and safety	30,722	46,178
Higher education tuition	(9,028)	48,065
Other	33,924	34,986
Total	$ 399,566	$ 223,304

The State's overall financial position improved over the past year. Current year operations resulted in a $2.4 billion increase in the net position of the governmental activities and a $681.2 million increase in the net position of the business-type activities. Key economic indicators from the State's sales and other taxes show positive growth. Tax revenues for governmental activities increased in the current fiscal year by $0.3 billion, or 3.0%, compared to an increase of $4.2 billion, or 80.9%, in the prior fiscal year. Operating grants and contributions for governmental activities increased by $0.5 billion, primarily due to grant revenues.

FINANCIAL ANALYSIS OF THE STATE'S FUNDS

Governmental Funds:

As of the end of the current fiscal year, the State's governmental funds reported combined ending fund balances of $6.3 billion, an increase of $2.2 billion from the prior year, after restatement. Of these total ending fund balances, $806.9 million, or 12.8%, is nonspendable, either due to its form or legal constraints, and $1.7 billion, or 27.0%, is restricted for specific programs by external constraints, constitutional provisions, or contractual obligations. An additional $5.0 billion, or 78.6%, of total fund balance has been

committed to specific purposes. Committed amounts cannot be used for any other purpose unless approved by the Legislature. NRS 353.288 provides for the Account to Stabilize the Operation of the State Government (Stabilization Account) in the State General Fund. Additions to the stabilization arrangement are triggered at the end of a fiscal year if the General Fund unrestricted fund balance (budgetary basis) exceeds 7% of General Fund operating appropriations. Forty percent of the excess is deposited to the Stabilization Account, and is classified on the balance sheet as committed for fiscal emergency. In addition, 1% of the total anticipated revenue for the fiscal year, as projected by the Economic Forum, is deposited to the Stabilization Account. Expenditures may occur if actual revenues for the biennium fall short by 5% or more from anticipated revenues, if the Legislature and Governor declare that a fiscal emergency exists, or if the Legislature allocates it to be used for any other purpose. The balance in the Stabilization Account committed for fiscal emergency at June 30, 2023, is $1.2 billion. The remaining negative $1.1 billion, or (17.6)%, of fund balance is unassigned. The major funds are discussed more fully below.

The *General Fund* is the chief operating fund of the State. At the end of the current fiscal year, the total General Fund fund balance was $3.2 billion compared to $1.9 billion in the prior fiscal year. The fund balance increased by $1.3 billion, or 68.4%, over the previous year, after restatement.

The following schedule presents a summary of revenues of the General Fund for the fiscal years ended June 30, 2023 and 2022 (expressed in thousands). Other financing sources are not included. The 2022 figures in the table below are before restatement in Note 19.

General Fund Revenues *(expressed in thousands)*

	2023		2022		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
Gaming taxes, fees, licenses	$ 1,220,119	8.1 %	$ 1,183,764	8.1 %	$ 36,355	3.1 %
Sales taxes	1,791,687	11.8 %	1,679,872	11.5 %	111,815	6.7 %
Modified business taxes	846,498	5.6 %	780,476	5.3 %	66,022	8.5 %
Insurance premium taxes	545,115	3.6 %	516,355	3.5 %	28,760	5.6 %
Cigarette taxes	135,275	0.9 %	144,069	1.0 %	(8,794)	(6.1)%
Commerce taxes	302,380	2.0 %	281,882	1.9 %	20,498	7.3 %
Property and transfer taxes	112,485	0.7 %	179,999	1.2 %	(67,514)	(37.5)%
Motor and special fuel taxes	2,411	0.0 %	2,225	0.0 %	186	8.4 %
Other taxes	509,479	3.4 %	523,693	3.6 %	(14,214)	(2.7)%
Intergovernmental	8,940,558	59.0 %	8,855,439	60.6 %	85,119	1.0 %
Licenses, fees and permits	450,445	3.0 %	445,877	3.1 %	4,568	1.0 %
Sales and charges for services	72,479	0.5 %	69,741	0.5 %	2,738	3.9 %
Interest and investment income (loss)	113,564	0.7 %	(141,922)	(1.0)%	255,486	180.0 %
Settlement income	6,740	0.0 %	11,639	0.1 %	(4,899)	(42.1)%
Other	103,935	0.7 %	79,498	0.5 %	24,437	30.7 %
Total revenues	$ 15,153,170	100.0 %	$ 14,612,607	100.0 %	$ 540,563	3.7 %

The total General Fund revenues increased by $540.6 million, or 3.7%. The largest increases in revenue sources were $255 million, or 180%, in interest and investment revenue; $85 million, or 1%, in intergovernmental revenue; $111.8 million, or 6.7%, in sales taxes; and $66 million or 8.5% in modified business taxes. The changes in tax revenues are before restatement in Note 19. The interest and investment income increased mainly due to the issuance of bonds in the prior year that resulted in higher yields of interest and investment income on the unspent proceeds. The intergovernmental revenue increased mainly due to increases in federal aid. Some of the significant grants included Epidemiology and Laboratory Capacity for Infectious Diseases (ELC), Grants for Prevention and Treatment of Substance Abuse, Special Education-Grants for Infants and Families, Crime Victim Assistance, Education Stabilization Fund, Student Support and Academic Enrichment Program, School Breakfast Program and National School Lunch Program. The increase in sales taxes was mainly due to price increases driven by inflation. The increase in modified business taxes is mainly due to Nevada's growth in employment and wages, which also increased to keep up with inflation. The decrease in property and transfer taxes was due to fewer real estate transfers taxed in fiscal year 2023, as a result of the rising mortgage interest rates that cooled off the real estate market. The decrease in other taxes was mainly due to the legislatively approved reallocation of the net proceeds of minerals tax from the General Fund to the State Education Fund. The decrease in settlement income is primarily due to the timing of legal cases and has normal fluctuations.

The following schedule presents a summary of expenditures by function of the General Fund for the fiscal years ended June 30, 2023 and 2022 (expressed in thousands). Other financing uses are not included. The 2022 figures in the table below are before restatement in Note 19.

General Fund Expenditures *(expressed in thousands)*

	2023		2022		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
General government	$ 443,061	3.6 %	$ 281,336	2.3 %	$ 161,725	57.5 %
Health services	5,784,893	46.6 %	5,863,051	47.5 %	(78,158)	(1.3)%
Social services	2,784,800	22.4 %	2,970,100	24.1 %	(185,300)	(6.2)%
Education - K-12	1,427,863	11.5 %	1,109,430	9.0 %	318,433	28.7 %
Education - higher education	647,738	5.2 %	637,025	5.2 %	10,713	1.7 %
Law, justice and public safety	560,549	4.5 %	690,456	5.6 %	(129,907)	(18.8)%
Regulation of business	527,454	4.3 %	585,680	4.7 %	(58,226)	(9.9)%
Recreation and resource development	181,674	1.5 %	163,856	1.3 %	17,818	10.9 %
Debt service	47,340	0.4 %	34,181	0.3 %	13,159	38.5 %
Total expenditures	$ 12,405,372	100.0 %	$ 12,335,115	100.0 %	$ 70,257	0.6 %

The total General Fund expenditures increased by 0.6%. The largest increases in expenditures were $318 million, or 28.7%, in Education - K-12 Services and $161.7 million, or 57.5% in General Government. The increase in Education – K-12 was primarily due to the disbursements of the federal aid received. In fiscal year 2023, the Department of Education was at the height of disbursing these funds. The three waves of funding to the Department of Education were, CRRSA – Coronavirus Response and Relief Supplemental Appropriations, GEER – Governor's Emergency Education Relief grant and ESSER – Elementary and Secondary School Emergency Relief Fund. Clark county school district is the fifth largest school district in the nation that received the largest aid. While the newly formed State Education fund involves the Pupil Centered Funding Plan and the funding for Education Stabilization account, the General Fund continues to process the other federal fundings for K-12. The increase in General Government was due to the increased grants payments, settlement payments and the annual cost of living adjustments, COLA, in state employee salaries. The settlement payments included a court settlement for back-pay to the Department of Corrections staff and a Statutory Contingency that needed to be paid from the Tort Claim Account of the Insurance Premiums Fund and the total amount owed was in excess of funds available in the Tort Claim account. The decrease in social services of $185 million, or 6.2%, was primarily due to the adjustments in Supplemental Nutrition Assistance Program, SNAP, per Data Analytics of Nevada Department of Health and Human Services in actual dollar amounts reported to the Federal Grant Holder, FNS, accurately that included expungements and repayments that were subtracted from the total issuance to calculate a net issuance in the reconciliation. The decrease in law, justice and public safety of $130 million, or 18.8% was due to the COVID supplies related expenditures from the Department of Emergency Management. The decrease in the Regulation of Business was due to decrease in Emergency Rental Assistance (ERA) federal grant funding that was one-time COVID assistance funding that ended in fiscal year 2022. The decrease in Health Services of $78 million, or 1.3%, was due to decreases in federal aid for mainly in Public and Behavioral Health Department after the pandemic, in which the related expenditures are now paid off.

The *State Education Fund* is a special revenue fund used to account for a combination of State and local revenues to be used for the basic support guarantee per pupil that is established by the Legislature each biennium. Revenue sources for the State Education Fund include, but are not limited to, sales and use taxes, room taxes, net proceeds of minerals, marijuana taxes, slot taxes and public school operating and local school support taxes. In addition, the Education Stabilization Account was created in the fund to allow the State to set aside surplus revenue designated for K-12 education, which may be utilized if the State experiences declining revenues or budget deficits during a fiscal year.

The ending fund balance of the State Education Fund was $1.1 billion, which is an increase of $577.7 million or 104.1% during the current fiscal year compared to an increase of $555.2 million, or 100.0%, in the prior year. The 100% increase in the prior year was a result of the net activity in the fund's first year. Total revenues increased by $229.0 million, due primarily to sales taxes and lodging taxes, which increased due to stabilization of the post-pandemic economy. Interest and investment income also drove the increase. This was due to more cash available for investment. Expenditures increased by $44.3 million, or 1.0%, over the prior year. This was primarily due to increases in local government and non-government schools. Other financing sources and uses decreased by $162.2 million, or 11.0%. Other financing sources were transfers-in from the General Fund and Permanent School Fund.

Proprietary Funds:

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

Enterprise Funds – There are four major enterprise funds: Housing Division Fund, Unemployment Compensation Fund, Water Projects Loans Fund and the Higher Education Tuition Trust Fund. The combined net position of the four major funds is $2.4 billion, the net position of the nonmajor enterprise funds is $59.7 million and the total combined net position of all enterprise funds is $2.5 billion. The combined net position of all enterprise funds increased by $684.6 million from the prior year, after restatements. The

major enterprise funds are discussed below:

The *Housing Division Fund* was created for the purpose of making available additional funds to assist private enterprise and governmental agencies in providing safe and sanitary housing facilities and provides low interest loans for first-time home buyers with low or moderate incomes. The net position increased by $13.7 million, or 5.5%, after restatement, resulting in an ending net position of $261.1 million. Revenues from interest on loans decreased by 84.8%, due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 91 which required some loans to be classified differently. Under GASB Statement No. 91, these loans are now considered conduit debt which means they no longer appear on the balance sheet. Operating expenses decreased by $22.8 million, and operating revenues decreased by $15.3 million.

The *Unemployment Compensation Fund* accounts for the payment of unemployment compensation benefits to unemployed State citizens. The net position increased by $555.7 million from the prior year, resulting in an ending net position of $1.4 billion. The current year increase in net position is primarily due to revenues exceeding expenses by $562.0 million. During fiscal year 2023, $321.9 million of unemployment compensation benefits was paid to unemployed State citizens compared to $1.0 billion paid in fiscal year 2022, representing a 67.8% decrease in claims expense.

The *Water Projects Loans Fund* issues loans to governmental and private entities for two programs: Safe Drinking Water and Water Pollution Control. The federal EPA matches the State's bond proceeds to make loans to governmental entities; only federal funds are loaned to private entities. The net position increased by $23.9 million during the current fiscal year, for a final net position of $553.3 million, which is a 4.5% increase from the prior year.

The *Higher Education Tuition Trust Fund* provides a simple and convenient way for Nevada families to save for a college education through the advance payment of tuition. A purchaser enters into a contract for the future payment of tuition for a specified beneficiary. The contract benefits are based on in-state rates for Nevada public colleges, but can be used towards costs at any accredited, nonprofit, private or out-of-state college. The Trust Fund completed its twenty-fifth enrollment period during the fiscal year with 470 new enrollments. The net position increased by $57.9 million, after restatement, for an ending net position of $239.9 million, a 31.8% increase over last year. This change in net position is considered a normal fluctuation in current activity from contract purchases, benefit payments, and investment earnings.

Internal Service Funds – The internal service funds charge State agencies for goods and services such as building maintenance, purchasing, printing, insurance, data processing and fleet services in order to recover the costs of the goods or services. Rates charged to State agencies for the operations of internal service funds are adjusted in following years to offset gains and losses. Because these are allocations of costs to other funds, they are not included separately in the government-wide financial statements but are eliminated and reclassified as either governmental activities or business-type activities. In 2023, total internal service fund net position decreased by $13.9 million, for a final net position of $9.2 million. The three largest funds are:

The *Self-Insurance Fund* accounts for group health, life and disability insurance for State employees and retirees and certain other public employees. Net position decreased by $18.0 million, or 20.0%, during the current year, for a final net position of $72.1 million. The decrease in net position is primarily due to the entries related to GASB Statement No.87, which deals with leases.

The *Information Services Fund* accounts for design, maintenance and operation of the State's central computer facility, radio communication, and telecommunication systems. The net position deficit increased by $1.6 million, or 15.7%, during the current year, for a final net position deficit of $11.8 million. The decrease in net position from current activity is considered a normal fluctuation in charges for services and expenses of the fund.

The *Insurance Premiums Fund* accounts for general, civil (tort), auto and property casualty liabilities of State agencies. The net position deficit increased by $10.8 million, or 18.3%, during the current year, resulting in an ending net position deficit of $69.7 million. The decrease in net position from current activity is due to losses in the tort fund and increases in the liability tort cap that led to greater claims projections.

ANALYSIS OF GENERAL FUND BUDGET VARIATIONS

The General Fund budgetary revenues and other financing sources were $3.2 billion, or 13.2%, less than the final budget, primarily because actual intergovernmental revenues received were less than the final budgeted amount. Intergovernmental revenues represent federal grants, and there are timing differences arising from when grants are awarded, received and spent. The final budget can include grant revenue for the entire grant period, whereas the actual amount recorded represents grant revenue received in the current year.

The net increase in the General Fund expenditures and other uses budget from original to final was $6.3 billion. Some of the differences originate because the original budget consists only of those budgets subject to legislative approval through the General Appropriations Act and the Authorizations Bill. The non-executive budgets, not subject to legislative approval, only require approval by the Budget Division, and, if approved after July 1, are considered to be revisions. Increases due to the nonexecutive budgets approved after July 1 and increased estimated receipts were approximately $6.3 billion.

CAPITAL ASSETS AND LONG-TERM DEBT ADMINISTRATION

Capital Assets:

The State's capital assets for governmental and business-type activities as of June 30, 2023, amount to $14.1 billion, net of accumulated depreciation and amortization of $1.9 billion, resulting in a net book value of $12.1 billion. This investment in capital assets includes land, buildings, improvements other than buildings, equipment, software costs, infrastructure, rights-of-way, construction in progress, and right to use leased buildings and equipment. Infrastructure assets are items that are normally immovable, such as roads and bridges.

At June 30, 2023, the State had construction contract commitments of approximately $808.5 million in the Highway Fund for construction of various highway projects, and $156.5 million in capital projects funds for buildings and improvements. Funding for the commitments will come from existing resources in these funds and from future appropriations and bond proceeds.

As allowed by GASB Statement No. 34, the State has adopted an alternative process for recording depreciation expense on elected infrastructure assets. Under this alternative method, referred to as the modified approach, the State expenses certain maintenance and preservation costs and does not report depreciation expense on infrastructure. Utilization of this approach requires the State to: 1) commit to maintaining and preserving affected assets at or above a condition level established by the State; 2) maintain an inventory of the assets and perform periodic condition assessments to ensure that the condition level is being maintained; and 3) make annual estimates of the amounts that must be expended to maintain and preserve assets at the predetermined condition levels. To monitor the condition of the roadways the State uses the International Roughness Index (IRI). The State has set a policy that it will maintain a certain percentage of each category of its roadways with an IRI of less than 95 and will also maintain its bridges so that not more than 10% are structurally deficient. The following table shows the State's policy and the condition level of the roadways and bridges:

Condition Level of the Roadways

	Percentage of roadways with an IRI of less than 95 Category				
	I	II	III	IV	V
State Policy-minimum percentage	70%	65%	60%	40%	10%
Actual results of 2022 condition assessment	91%	88%	80%	61%	23%
Actual results of 2021 condition assessment	90%	88%	81%	64%	21%
Actual results of 2020 condition assessment	91%	86%	87%	54%	28%

Condition Level of the Bridges

	Percentage of substandard bridges		
	2023	2022	2021
State Policy-minimum percentage	7%	7%	7%
Actual results condition assessment	1%	1%	1%

The estimated amount necessary to maintain and preserve infrastructure assets at target condition levels was less than the actual amounts of expense incurred for fiscal year 2023 by $83.8 million. Condition levels are expected to approximately meet or exceed the target condition levels for the roadway category. Additional information on the State's infrastructure can be found in the schedule of Infrastructure Condition and Maintenance Data in the Required Supplementary Information section to the financial statements.

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

Long-term Debt Administration:

As of year-end, the State had $2.4 billion in bonds and certificates of participation outstanding, compared to $3.3 billion last year, a decrease of $869.7 million, or 26.6%, during the current fiscal year. This decrease was due primarily to the maturity of bonds and debt payment. These changes are before restatement in Note 19.

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

incurred for the protection and preservation of, or for obtaining the benefits of, any property or natural resources within the State.

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

Requests for Information

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

Statement of Net Position

June 30, 2023 (Expressed in Thousands)

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
Assets				
Cash and pooled investments	$ 8,176,189	$ 1,575,692	$ 9,751,881	$ 273,011
Investments	415,413	801,587	1,217,000	1,718,715
Internal balances	(16,159)	16,159	-	-
Due from component unit	19,305	-	19,305	-
Due from primary government	-	-	-	48,906
Accounts receivable	403,139	7,785	410,924	88,337
Taxes/assessments receivable	1,554,562	247,813	1,802,375	-
Intergovernmental receivables	1,102,276	3,894	1,106,170	92,441
Accrued interest and dividends	49,613	9,955	59,568	309
Contracts receivable	-	28,291	28,291	-
Mortgages receivable	-	12,731	12,731	-
Notes/loans receivable	52,777	503,319	556,096	5,068
Finance agreements receivable	42,720	-	42,720	-
Leases receivable	5,248	-	5,248	73,243
Other receivables	2	3,301	3,303	5,483
Inventory	77,921	2,185	80,106	6,987
Prepaid expenses	226,267	172	226,439	23,890
Restricted assets:				
Cash	92,510	75,224	167,734	23,810
Investments	-	176,942	176,942	18,864
Other assets	4	5	9	136,254
Capital assets:				
Land, infrastructure and construction in progress	10,216,844	588	10,217,432	376,783
Other capital assets, net	1,916,320	5,471	1,921,791	2,476,267
Total assets	24,334,951	3,471,114	27,806,065	5,368,368
Deferred Outflows of Resources				
Deferred charge on refunding	17,511	115	17,626	2,728
Pension related amounts	968,127	17,649	985,776	268,740
OPEB related amounts	61,930	1,223	63,153	38,310
Total deferred outflows of resources	1,047,568	18,987	1,066,555	309,778
Liabilities				
Accounts payable	1,588,301	57,182	1,645,483	53,800
Accrued payroll and related liabilities	102,232	1,494	103,726	103,211
Intergovernmental payables	502,513	145,148	647,661	-
Interest payable	11,455	4,570	16,025	12,287
Due to component units	48,882	24	48,906	-
Due to primary government	-	-	-	19,305
Contracts/retentions payable	104,353	-	104,353	-
Unearned revenues	2,240,265	16,126	2,256,391	75,880
Other liabilities	209,781	11	209,792	32,962
Long-term liabilities:				
Portion due or payable within one year:				
Reserve for losses	90,131	-	90,131	-
Finance agreements	2,294	-	2,294	1,797
Leases	32,637	515	33,152	8,669
Software subscriptions	88,249	-	88,249	14,207
Compensated absences	79,848	1,374	81,222	42,293
Tuition benefits payable	-	16,956	16,956	-
Net OPEB liability	30,250	-	30,250	-
Bonds payable	186,711	32,135	218,846	35,847
Certificates of participation payable	3,920	-	3,920	-
Pollution remediation obligations	980	-	980	-
Portion due or payable after one year:				
Federal advances	-	-	-	3,394
Reserve for losses	70,186	-	70,186	-
Finance agreements	1,959	-	1,959	41,672
Leases	163,591	963	164,554	44,723
Software subscriptions	185,130	-	185,130	33,853
Net pension liability	2,802,177	51,753	2,853,930	508,559

Statement of Net Position

June 30, 2023 (Expressed in Thousands)

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
Net OPEB liability	794,718	16,299	811,017	587,320
Compensated absences	35,126	708	35,834	22,500
Tuition benefits payable	-	162,680	162,680	-
Bonds payable	1,615,483	504,821	2,120,304	652,468
Certificates of participation payable	59,581	-	59,581	-
Unearned revenue	-	-	-	36,370
Pollution remediation obligations	3,707	-	3,707	-
Total liabilities	11,054,460	1,012,759	12,067,219	2,331,117
Deferred Inflows of Resources				
Pension related amounts	131,300	2,359	133,659	119,533
OPEB related amounts	96,492	1,906	98,398	68,696
Taxes	4,226	-	4,226	-
Fines and forfeitures	1,111	-	1,111	-
Lease related amounts	5,105	-	5,105	102,518
Split-interest agreements	-	-	-	8,432
Gain on refunding	-	-	-	4,061
Service concession arrangement	-	-	-	1,531
Total deferred inflows of resources	238,234	4,265	242,499	304,771
Net Position				
Net investment in capital assets	10,260,352	(1,654)	10,258,698	2,073,871
Restricted for:				
Unemployment compensation	-	1,359,913	1,359,913	-
Tuition contract benefits	-	239,897	239,897	-
Security of outstanding obligations	-	198,970	198,970	-
Workers' compensation	-	32,398	32,398	-
Capital projects	-	-	-	25,910
Debt service	28,654	-	28,654	43,024
Education - K to 12	1,212,476	-	1,212,476	4,093
Transportation	227,075	-	227,075	-
Recreation and resource development	54,351	-	54,351	-
Law, justice and public safety	24,875	-	24,875	-
Health services	345,384	-	345,384	-
Social services	161,322	-	161,322	-
Regulation of business	64,458	2	64,460	-
Scholarships	-	-	-	737,909
Loans	-	581,026	581,026	5,680
Research and development	-	-	-	12,757
Other purposes	1,923	-	1,923	-
Funds held as permanent investments:				
Nonexpendable	487,424	-	487,424	505,205
Expendable	20	-	20	-
Unrestricted (deficit)	1,221,511	62,525	1,284,036	(366,191)
Total net position	$ 14,089,825	$ 2,473,077	$ 16,562,902	$ 3,042,258

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

Statement of Activities

For the Year Ended June 30, 2023 (Expressed in Thousands)

Function/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units
Primary Government								
Governmental activities:								
General government	$ 626,726	$ 255,365	$ 572,252	$ -	$ 200,891	$ -	$ 200,891	$ -
Health services	5,731,679	152,898	4,557,994	-	(1,020,787)	-	(1,020,787)	-
Social services	2,946,950	53,134	2,264,283	3,204	(626,329)	-	(626,329)	-
Education - K-12	5,801,195	3,902	1,179,441	-	(4,617,852)	-	(4,617,852)	-
Education - higher education	647,738	404	57	-	(647,277)	-	(647,277)	-
Law, justice and public safety	829,216	279,473	98,403	-	(451,340)	-	(451,340)	-
Regulation of business	548,118	115,208	327,881	-	(105,029)	-	(105,029)	-
Transportation	878,088	19,342	448,507	11,735	(398,504)	-	(398,504)	-
Recreation and resource development	228,469	74,623	81,139	8,029	(64,678)	-	(64,678)	-
Interest on long-term debt	53,966	-	-	-	(53,966)	-	(53,966)	-
Unallocated depreciation	3,396	-	-	-	(3,396)	-	(3,396)	-
Total governmental activities	18,295,541	954,349	9,529,957	22,968	(7,788,267)	-	(7,788,267)	-
Business-type activities:								
Unemployment insurance	321,918	9,775	25,702	-	-	(286,441)	(286,441)	-
Housing	14,579	10,281	15,096	-	-	10,798	10,798	-
Water loans	7,451	9,448	23,773	-	-	25,770	25,770	-
Workers' compensation and safety	30,722	42,988	3,190	-	-	15,456	15,456	-
Higher education tuition	(9,028)	8,926	39,139	-	-	57,093	57,093	-
Other	33,924	32,510	2,476	-	-	1,062	1,062	-
Total business-type activities	399,566	113,928	109,376	-	-	(176,262)	(176,262)	-
Total primary government	$ 18,695,107	$ 1,068,277	$ 9,639,333	$ 22,968	(7,788,267)	(176,262)	(7,964,529)	-
Total component units	$ 2,295,816	$ 808,758	$ 682,769	$ 3,252	-	-	-	(801,037)
General Revenues:								
Taxes:								
Gaming taxes					1,227,592	-	1,227,592	-
Sales and use taxes					1,801,539	-	1,801,539	-
Modified business taxes					832,989	-	832,989	-
Insurance premium taxes					548,440	-	548,440	-
Cigarette taxes					135,275	-	135,275	-
Commerce taxes					284,296	-	284,296	-
Property and transfer taxes					131,279	-	131,279	-
Lodging taxes					30,903	-	30,903	-
Motor and special fuel taxes					2,411	-	2,411	-
Other taxes					586,967	423	587,390	-
Restricted for unemployment compensation:								
Other taxes					-	848,471	848,471	-

Restricted for general government purposes:				
Settlement income	224	-	224	-
Restricted for health services purposes:				
Other taxes	46,140	-	46,140	-
Restricted for social services purposes:				
Other taxes	40,606	-	40,606	-
Restricted for educational purposes:				
Sales and use taxes	2,097,250	-	2,097,250	-
Other taxes	1,196,178	-	1,196,178	-
Lodging taxes	225,425	-	225,425	-
Restricted for law, justice and public safety:				
Other	10,125	-	10,125	-
Other taxes	8,150	-	8,150	-
Restricted for regulation of business:				
Other taxes	4,876	-	4,876	-
Restricted for transportation purposes:				
Motor and special fuel taxes	267,928	-	267,928	-
Other taxes	977	-	977	-
Restricted for recreation and resources development:				
Other taxes	939	-	939	-
Settlement income	106	-	106	-
Restricted for debt service purposes:				
Property and transfer taxes	217,613	-	217,613	-
Motor and special fuel taxes	74,438	-	74,438	-
Other	2,447	-	2,447	-
Settlement income	138,630	-	138,630	-
Unrestricted investment earnings (loss)	117,421	-	117,421	133,000
Gain on sale of assets	-	5	5	2,737
Other general revenues	194,577	-	194,577	14,147
Contributions to permanent funds	14,986	-	14,986	72,489
Payments from State of Nevada	-	-	-	667,387
Transfers	(8,560)	8,560	-	-
Total general revenues, contributions, payments and transfers	10,232,167	857,459	11,089,626	889,760
Change in net position	2,443,900	681,197	3,125,097	88,723
Net position - beginning, as originally reported	11,326,806	1,789,099	13,115,905	2,945,065
Prior period adjustment	319,119	2,781	321,900	8,470
Net position - beginning, as restated	11,645,925	1,791,880	13,437,805	2,953,535
Net position - ending	$ 14,089,825	$ 2,473,077	$ 16,562,902	$ 3,042,258

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

Balance Sheet
Governmental Funds

June 30, 2023

	General Fund	State Education Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and pooled investments:				
Cash with treasurer	$ 6,230,022,059	$ 634,002,672	$ 1,053,895,720	$ 7,917,920,451
Cash in custody of other officials	7,601,993	-	67,049,296	74,651,289
Investments	22,637,662	-	392,774,966	415,412,628
Receivables:				
Accounts receivable	156,629,893	-	204,869,021	361,498,914
Taxes receivable	1,430,486,530	82,854,954	41,220,325	1,554,561,809
Intergovernmental receivables	1,029,910,403	26,620,935	44,708,655	1,101,239,993
Accrued interest and dividends	47,599,222	-	2,014,061	49,613,283
Notes/loans receivable	12,421,141	10,494	40,300,000	52,731,635
Finance agreements receivable	-	-	42,720,000	42,720,000
Leases receivable	-	-	5,123,246	5,123,246
Other receivables	2,187	-	-	2,187
Due from other funds	134,239,787	523,770,898	631,538,161	1,289,548,846
Due from fiduciary funds	253,096	-	2,024,877	2,277,973
Due from component units	167,241	-	19,128,788	19,296,029
Inventory	52,079,986	-	25,425,682	77,505,668
Advances to other funds	4,359,950	-	1,982,798	6,342,748
Restricted assets:				
Cash	16,503,245	-	76,007,156	92,510,401
Prepaid items	223,913,412	-	1,379,468	225,292,880
Total assets	$ 9,368,827,807	$ 1,267,259,953	$ 2,652,162,220	$13,288,249,980
Liabilities				
Accounts payable and accruals:				
Accounts payable	$ 927,127,931	$ 1,034,775	$ 61,267,350	$ 989,430,056
Accrued payroll and related liabilities	76,064,376	-	23,915,243	99,979,619
Intergovernmental payables	473,515,020	2,527,795	26,396,202	502,439,017
Contracts/retentions payable	581,021	-	103,772,367	104,353,388
Due to other funds	1,130,228,430	51,393,749	161,624,390	1,343,246,569
Due to fiduciary funds	562,001,581	-	1,029,409	563,030,990
Due to component units	45,226,941	-	3,652,226	48,879,167
Unearned revenues	2,234,826,880	-	5,418,798	2,240,245,678
Other liabilities	175,952,701	-	24,161,121	200,113,822
Total liabilities	5,625,524,881	54,956,319	411,237,106	6,091,718,306
Deferred Inflows of Resources				
Unavailable revenue:				
Taxes	78,589,855	79,243,840	3,183,831	161,017,526
Intergovernmental	328,510,980	-	-	328,510,980
Licenses, fees and permits	12,842,058	-	2,212,474	15,054,532
Sales and charges for services	14,094,512	-	1,294,341	15,388,853
Settlement income	-	-	181,442,178	181,442,178
Note principal payments	-	-	42,720,000	42,720,000
Interest	17,623,236	124,343	3,036,063	20,783,642
Other	87,262,982	-	467,045	87,730,027
Taxes	4,226,300	-	-	4,226,300
Fines and forfeitures	1,111,097	-	-	1,111,097
Lease related	-	-	4,983,229	4,983,229
Total deferred inflows of resources	544,261,020	79,368,183	239,339,161	862,968,364
Fund Balances				
Nonspendable	292,671,389	-	514,225,946	806,897,335
Restricted	136,704,182	1,132,935,451	390,445,014	1,660,084,647
Committed	3,883,743,731	-	1,096,914,993	4,980,658,724
Unassigned	(1,114,077,396)	-	-	(1,114,077,396)
Total fund balances	3,199,041,906	1,132,935,451	2,001,585,953	6,333,563,310
Total liabilities, deferred inflows of resources and fund balances	$ 9,368,827,807	$ 1,267,259,953	$ 2,652,162,220	$13,288,249,980

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

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

June 30, 2023

Total fund balances - governmental funds		$ 6,333,563,310
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Land	$ 184,091,641	
Construction in progress	2,806,798,245	
Infrastructure assets	6,247,823,602	
Rights-of-way	977,097,603	
Buildings	2,137,970,519	
Improvements other than buildings	175,717,939	
Furniture and equipment	482,238,086	
Software costs	327,533,779	
Accumulated depreciation/amortization	(1,691,010,948)	
Right to use leased buildings	240,494,519	
Right to use leased equipment	6,179,934	
Right to use software	355,902,901	
Accumulated amortization for right to use assets	(145,969,525)	
Total capital assets		12,104,868,295
Some of the State's revenues collected after year-end are not available soon enough to pay for the current period's expenditures and, therefore, are reported as unavailable deferred inflows of resources in the funds.		852,647,738
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the statement of net position.		10,042,114
The loss on early retirement of debt is reported as a deferred outflow of resources on the statement of net position and is amortized over the original remaining life of the old debt, or the life of the new debt, whichever is less.		17,510,690
Deferred outflow of resources related to pensions are not reported in the governmental funds.		944,245,808
Deferred outflow of resources related to other post-employment benefits are not reported in the governmental funds.		60,269,815
Deferred inflow of resources related to pensions are not reported in the governmental funds.		(128,091,731)
Deferred inflow of resources related to other post-employment benefits are not reported in the governmental funds.		(93,910,508)
Certain liabilities for settlement agreements are not due and payable in the current period and therefore are not reported in the funds.		(20,240,725)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Net pension liability	(2,732,660,276)	
Net OPEB liability	(802,777,137)	
Bonds payable	(1,801,050,456)	
Accrued interest on bonds	(11,454,688)	
Certificates of participation	(63,500,561)	
Finance agreements	(3,182,297)	
Lease liabilities	(188,400,328)	
Right to use software liabilities	(272,092,211)	
Compensated absences	(111,275,152)	
Pollution remediation liability	(4,687,000)	
Total long-term liabilities		(5,991,080,106)
Net position of governmental activities		$ 14,089,824,700

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

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

For the Fiscal Year Ended June 30, 2023

	General Fund	State Education Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Gaming taxes, fees, licenses	$ 1,220,118,628	$ 24,971,266	$ 12,499,892	$ 1,257,589,786
Sales taxes	1,791,686,534	2,175,295,020	-	3,966,981,554
Modified business taxes	846,497,958	-	-	846,497,958
Insurance premium taxes	545,115,017	-	-	545,115,017
Lodging taxes	-	225,425,264	-	225,425,264
Cigarette taxes	135,275,124	-	-	135,275,124
Commerce taxes	302,379,605	-	-	302,379,605
Property and transfer taxes	112,485,117	936,028,708	236,407,325	1,284,921,150
Motor and special fuel taxes	2,411,199	-	350,515,715	352,926,914
Other taxes	509,478,514	235,177,626	220,159,374	964,815,514
Intergovernmental	8,940,557,604	7,427,394	588,874,107	9,536,859,105
Licenses, fees and permits	450,445,039	-	261,665,745	712,110,784
Sales and charges for services	72,479,264	-	36,628,053	109,107,317
Interest and investment income (loss)	113,563,504	16,410,598	77,296,208	207,270,310
Settlement income	6,740,146	-	77,628,005	84,368,151
Land sales	-	-	7,695,285	7,695,285
Other	103,934,828	1,014,188	53,179,922	158,128,938
Total revenues	15,153,168,081	3,621,750,064	1,922,549,631	20,697,467,776
Expenditures				
Current:				
General government	443,060,973	-	36,897,644	479,958,617
Health services	5,784,892,920	-	8,828	5,784,901,748
Social services	2,784,800,050	-	135,649,672	2,920,449,722
Education - K-12	1,427,863,330	4,359,507,461	11,213,501	5,798,584,292
Education - higher education	647,738,267	-	24,415,959	672,154,226
Law, justice and public safety	560,549,181	-	174,665,615	735,214,796
Regulation of business	527,453,936	-	19,598,283	547,052,219
Transportation	-	-	1,051,294,000	1,051,294,000
Recreation and resource development	181,673,665	-	38,417,732	220,091,397
Capital outlay	-	-	83,104,307	83,104,307
Debt service:				
Principal	41,859,273	-	270,960,699	312,819,972
Interest, fiscal charges	5,344,585	-	87,604,550	92,949,135
Debt issuance costs	136,557	-	225,196	361,753
Total expenditures	12,405,372,737	4,359,507,461	1,934,055,986	18,698,936,184
Excess (deficiency) of revenues over (under) expenditures	2,747,795,344	(737,757,397)	(11,506,355)	1,998,531,592
Other Financing Sources (Uses)				
Lease/subscription liabilities incurred	35,332,744	-	8,439,065	43,771,809
Bonds issued	7,740,000	-	23,607,530	31,347,530
Premium on bonds issued	357,514	-	958,335	1,315,849
Sale of capital assets	130,529	-	4,189	134,718
Transfers in	151,507,269	1,315,481,596	739,010,669	2,205,999,534
Transfers out	(1,902,533,321)	-	(350,729,403)	(2,253,262,724)
Total other financing sources (uses)	(1,707,465,265)	1,315,481,596	421,290,385	29,306,716
Net change in fund balances	1,040,330,079	577,724,199	409,784,030	2,027,838,308
Fund balances - beginning, as originally reported	1,905,080,084	555,211,252	1,591,801,923	4,052,093,259
Prior period adjustment	253,631,743	-	-	253,631,743
Fund balances - beginning, as restated	2,158,711,827	555,211,252	1,591,801,923	4,305,725,002
Fund balances - ending	$ 3,199,041,906	$ 1,132,935,451	$ 2,001,585,953	$ 6,333,563,310

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

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

For the Fiscal Year Ended June 30, 2023

Net change in fund balances - total governmental funds		$ 2,027,838,308
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation or amortization expense. In the current period, the amounts are:		
Capital outlay	$ 388,150,661	
Depreciation/amortization expense	(223,108,876)	
Excess of capital outlay over depreciation/amortization expense		165,041,785
Debt proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the statement of net assets. In the current period, proceeds were received from:		
Bonds issued	(31,347,530)	
Premiums on debt issued	(1,315,849)	
Leases	(32,503,785)	
Software subscriptions	(11,268,024)	
Total bond proceeds		(76,435,188)
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year, these amounts consist of:		
Bond principal retirement	190,260,677	
Certificates of participation retirement	3,683,000	
Finance agreement payments	1,698,113	
Lease payments	33,104,462	
Software subscription payments	83,810,690	
Total long-term debt repayment		312,556,942
Internal service funds are used to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is reported with governmental activities.		(13,262,474)
Because some revenues will not be collected for several months after the State's fiscal year end, they are not considered "available" and are not reported as revenues in the governmental funds. Unavailable deferred inflows of resources changed by this amount		84,878,658
In the statement of activities, the gain or loss on the sale of assets is reported, whereas in the governmental funds, only the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the asset sold.		(1,618,924)
Amortization of deferred loss on early retirement of debt is reported as an expense for the statement of activities.		(6,749,977)
Amortization of premiums on bonds and certificates of participation is reported as a reduction of interest expense for the statement of activities.		29,635,880
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of the net change in:		
Pension costs, net	(75,119,294)	
Other post-employment benefit costs, net	(8,136,276)	
Accrued interest payable	4,614,646	
Compensated absences	421,840	
Pollution remediation liability	233,600	
Total additional expenditures		(77,985,484)
Net change in net position - governmental activities		$ 2,443,899,526

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

Statement of Net Position
Proprietary Funds

June 30, 2023

	Enterprise Funds						
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Assets							
***Current assets**:*							
Cash and pooled investments:							
Cash with treasurer	$ 2,195,080	$ -	$ 172,440,875	$ 2,871,331	$ 113,763,563	$ 291,270,849	$ 183,616,928
Cash in custody of other officials	86,805	1,284,027,136	-	88,926	218,217	1,284,421,084	-
Investments	75,488,719	-	-	388,344,518	-	463,833,237	-
Receivables:							
Accounts receivable	-	-	-	-	7,776,221	7,776,221	-
Assessments receivable	-	247,813,342	-	-	-	247,813,342	4,940,505
Intergovernmental receivables	-	2,606,646	434,354	-	853,014	3,894,014	1,036,447
Contracts receivable	-	-	-	6,645,879	-	6,645,879	-
Mortgages receivable	417,739	-	-	-	-	417,739	-
Accrued interest and dividends	4,778,871	-	4,564,447	611,633	-	9,954,951	-
Notes/loans receivable	-	-	38,766,443	-	-	38,766,443	5,000
Leases receivable	-	-	-	-	-	-	124,994
Other receivables	-	3,300,678	-	-	-	3,300,678	-
Due from other funds	821,875	-	2,680,110	38,621	18,249,383	21,789,989	42,797,689
Due from fiduciary funds	-	-	-	-	8,986	8,986	34,421,927
Due from component units	-	-	-	-	-	-	9,149
Inventory	-	-	-	-	2,185,309	2,185,309	415,754
Prepaid items	-	-	2,888	1,088	168,368	172,344	973,677
Restricted assets:							
Cash	-	-	1,568,793	-	73,655,187	75,223,980	-
Investments	96,769,771	-	-	-	-	96,769,771	-
Total current assets	180,558,860	1,537,747,802	220,457,910	398,601,996	216,878,248	2,554,244,816	268,342,070
***Noncurrent assets**:*							
Investments	337,753,931	-	-	-	-	337,753,931	-
Receivables:							
Contracts receivable	-	-	-	21,645,011	-	21,645,011	-
Mortgages receivable	12,312,772	-	-	-	-	12,312,772	-
Notes/loans receivable	59,834,820	-	404,717,971	-	-	464,552,791	40,000
Restricted assets:							
Investments	80,172,167	-	-	-	-	80,172,167	-
Other assets	-	-	-	-	5,000	5,000	3,761
Capital assets:							
Land	-	-	-	-	588,475	588,475	1,032,737
Buildings	-	-	-	-	1,406,840	1,406,840	20,392,485
Improvements other than buildings	-	-	-	-	5,042,453	5,042,453	3,839,621
Furniture and equipment	805,175	-	33,190	168,025	6,607,266	7,613,656	59,625,774
Software costs	-	-	-	-	-	-	16,134,510
Right to use leased buildings	-	-	-	-	3,162,580	3,162,580	5,634,421
Right to use leased equipment	-	-	-	6,753	80,037	86,790	6,031,391
Subscription based software	-	-	-	-	-	-	2,480,654
Less accumulated depreciation/amortization	(799,438)	-	(15,899)	(170,819)	(10,854,411)	(11,840,567)	(86,875,659)
Total noncurrent assets	490,079,427	-	404,735,262	21,648,970	6,038,240	922,501,899	28,339,695
Total assets	670,638,287	1,537,747,802	625,193,172	420,250,966	222,916,488	3,476,746,715	296,681,765
Deferred Outflows of Resources							
Deferred charge on refunding	-	-	18,069	-	96,758	114,827	-
Pension related amounts	1,086,422	-	284,132	147,892	16,130,399	17,648,845	23,880,857
OPEB related amounts	76,606	-	27,348	10,336	1,108,990	1,223,280	1,659,966
Total deferred outflows of resources	1,163,028	-	329,549	158,228	17,336,147	18,986,952	25,540,823

(continued)

	Enterprise Funds						
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Liabilities							
Current liabilities:							
Accounts payable and accruals:							
Accounts payable	$ 2,236,198	$ 32,654,461	$ 154,886	$ 146,725	$ 21,925,794	$ 57,118,064	$ 14,381,160
Accrued payroll and related liabilities	-	-	40,635	12,845	1,440,991	1,494,471	2,252,113
Interest payable	3,028,986	-	1,197,080	-	344,369	4,570,435	-
Intergovernmental payables	-	144,999,615	60,572	-	87,646	145,147,833	74,401
Bank overdraft	-	-	-	-	-	-	1,207,902
Due to other funds	41,125	180,641	317,477	32,726	4,181,144	4,753,113	6,136,839
Due to fiduciary funds	-	-	-	-	63,019	63,019	10,870
Due to component units	-	-	-	24,008	-	24,008	2,915
Unearned revenues	-	-	-	-	16,126,241	16,126,241	9,672,056
Other liabilities	-	-	-	-	11,450	11,450	14,417
Short-term portion of long-term liabilities:							
Reserve for losses	-	-	-	-	-	-	90,131,157
Compensated absences	94,462	-	33,995	21,356	1,224,644	1,374,457	2,428,968
Benefits payable	-	-	-	16,955,948	-	16,955,948	-
Bonds payable	7,403,342	-	9,737,268	-	14,994,739	32,135,349	456,035
Finance agreements	-	-	-	-	-	-	431,552
Lease liability	-	-	-	1,399	513,219	514,618	2,600,336
Software subscriptions	-	-	-	-	-	-	1,217,272
Total current liabilities	12,804,113	177,834,717	11,541,913	17,195,007	60,913,256	280,289,006	131,017,993
Noncurrent liabilities:							
Advances from other funds	-	-	-	-	62,010	62,010	6,280,738
Reserve for losses	-	-	-	-	-	-	70,185,830
Net pension obligation	3,180,648	-	769,005	434,298	47,368,784	51,752,735	69,517,110
Net OPEB liability	1,020,713	-	364,409	137,721	14,776,638	16,299,481	22,191,241
Compensated absences	59,422	-	27,612	22,701	598,369	708,104	1,269,256
Benefits payable	-	-	-	162,679,630	-	162,679,630	-
Bonds payable	393,410,861	-	59,423,158	-	51,986,505	504,820,524	686,953
Finance agreements	-	-	-	-	-	-	639,552
Lease liability	-	-	-	2,678	960,398	963,076	5,227,299
Software subscriptions	-	-	-	-	-	-	69,344
Total noncurrent liabilities	397,671,644	-	60,584,184	163,277,028	115,752,704	737,285,560	176,067,323
Total liabilities	410,475,757	177,834,717	72,126,097	180,472,035	176,665,960	1,017,574,566	307,085,316
Deferred Inflows of Resources							
Pension related amounts	144,998	-	35,057	19,800	2,159,433	2,359,288	3,207,919
OPEB related amounts	119,388	-	42,624	16,109	1,728,346	1,906,467	2,581,749
Lease related	-	-	-	-	-	-	121,340
Total deferred inflows of resources	264,386	-	77,681	35,909	3,887,779	4,265,755	5,911,008
Net Position							
Net investment in capital assets	5,737	-	17,291	3,959	(1,681,394)	(1,654,407)	16,967,591
Restricted for:							
Unemployment compensation	-	1,359,913,085	-	-	-	1,359,913,085	-
Tuition contract benefits	-	-	-	239,897,291	-	239,897,291	-
Security of outstanding obligations	198,970,498	-	-	-	-	198,970,498	-
Workers' compensation	-	-	-	-	32,397,884	32,397,884	-
Revolving loans	-	-	553,301,652	-	27,724,824	581,026,476	-
Regulation of business	-	-	-	-	2,000	2,000	-
Unrestricted (deficit)	62,084,937	-	-	-	1,255,582	63,340,519	(7,741,327)
Total net position	$ 261,061,172	$ 1,359,913,085	$ 553,318,943	$ 239,901,250	$ 59,698,896	$ 2,473,893,346	$ 9,226,264

Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time.	(815,850)
Net position of business-type activities	$ 2,473,077,496

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

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds

For the Fiscal Year Ended June 30, 2023

	Enterprise Funds						
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Operating Revenues							
Net premium income	$ -	$ -	$ -	$ -	$ -	$ -	$ 389,779,286
Sales	-	-	-	8,872,029	6,412,395	15,284,424	2,952,037
Assessments	-	848,471,096	-	-	422,581	848,893,677	-
Charges for services	-	-	79,800	54,060	13,829,628	13,963,488	64,712,464
Rental income	-	-	-	-	148,400	148,400	19,266,590
Interest income on loans/notes	4,242,474	-	9,368,255	-	-	13,610,729	-
Interest and investment income (loss)	15,095,829	-	-	-	-	15,095,829	-
Federal government	-	3,275,912	19,811,285	-	-	23,087,197	-
Licenses, fees and permits	-	-	-	-	44,203,954	44,203,954	-
Fines	-	-	-	-	7,914,988	7,914,988	-
Other	6,038,261	14,903,046	-	-	2,975,968	23,917,275	507,591
Total operating revenues	25,376,564	866,650,054	29,259,340	8,926,089	75,907,914	1,006,119,961	477,217,968
Operating Expenses							
Salaries and benefits	2,368,849	-	837,522	278,158	40,582,505	44,067,034	44,336,090
Operating	138,372	-	5,116,219	713,384	11,564,489	17,532,464	61,378,819
Claims and benefits expense	-	321,917,836	-	(10,032,324)	3,841,084	315,726,596	349,113,095
Interest on bonds payable	9,053,971	-	1,201,160	-	-	10,255,131	-
Materials or supplies used	-	-	-	-	3,549,579	3,549,579	481,790
Servicers' fees	5,585	-	-	-	-	5,585	-
Depreciation	34,116	-	6,815	-	521,698	562,629	5,100,377
Amortization	-	-	-	1,397	1,708,119	1,709,516	3,450,591
Bond issuance costs	2,947,498	-	281,193	-	-	3,228,691	-
Insurance premiums	-	-	-	-	-	-	69,426,890
Total operating expenses	14,548,391	321,917,836	7,442,909	(9,039,385)	61,767,474	396,637,225	533,287,652
Operating income (loss)	10,828,173	544,732,218	21,816,431	17,965,474	14,140,440	609,482,736	(56,069,684)
Nonoperating Revenues (Expenses)							
Interest and investment income (loss)	-	17,297,967	3,961,554	39,139,430	2,740,664	63,139,615	3,788,566
Interest expense	-	-	-	-	(2,337,225)	(2,337,225)	(258,121)
Federal grant revenue	-	-	-	-	2,925,054	2,925,054	-
Gain (loss) on disposal of assets	-	-	-	-	18,385	18,385	(16,987)
Total nonoperating revenues (expenses)	-	17,297,967	3,961,554	39,139,430	3,346,878	63,745,829	3,513,458
Income (loss) before transfers	10,828,173	562,030,185	25,777,985	57,104,904	17,487,318	673,228,565	(52,556,226)
Transfers							
Transfers in	26,877	-	13,309	776,561	31,034,070	31,850,817	39,758,332
Transfers out	-	(6,352,243)	(1,903,147)	-	(15,034,933)	(23,290,323)	(1,055,637)
Change in net position	10,855,050	555,677,942	23,888,147	57,881,465	33,486,455	681,789,059	(13,853,531)
Net position - beginning, as originally reported	247,421,459	804,235,143	529,430,796	182,019,706	26,216,349		23,079,795
Prior period adjustment	2,784,663	-	-	79	(3,908)		-
Net position - beginning, as restated	250,206,122	804,235,143	529,430,796	182,019,785	26,212,441		23,079,795
Net position - ending	$ 261,061,172	$ 1,359,913,085	$ 553,318,943	$ 239,901,250	$ 59,698,896		$ 9,226,264

Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.	(591,057)
Change in net position of business-type activities	$ 681,198,002

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

Statement of Cash Flows
Proprietary Funds

For the Fiscal Year Ended June 30, 2023

	Enterprise Funds						
	Major Funds						
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Nonmajor Enterprise Funds	Totals	Internal Service Funds
Cash flows from operating activities							
Receipts from customers and users	$ 5,595,861	$ 897,317,852	$ 80,744	$ 11,874,609	$ 87,396,767	$ 1,002,265,833	$ 101,842,480
Receipts for interfund services provided	746,842	-	-	31,172	1,173,508	1,951,522	248,979,539
Receipts from component units	-	-	-	-	-	-	132,155,500
Receipts of principal on loans/notes	1,644,620	-	36,675,985	-	-	38,320,605	5,000
Receipts of interest on loans/notes	-	-	9,416,453	-	-	9,416,453	-
Receipts from Federal government	-	87,823,594	19,967,139	-	-	107,790,733	-
Payments to suppliers, other governments and beneficiaries	-	(374,785,067)	(4,965,019)	(8,080,962)	(8,928,943)	(396,759,991)	(446,560,540)
Payments to employees	(1,756,235)	-	(651,224)	(251,088)	(37,609,830)	(40,268,377)	(41,224,396)
Payments for interfund services	(311,316)	-	(165,691)	(543,049)	(8,577,168)	(9,597,224)	(23,884,121)
Payments to component units	-	-	-	(7,507,462)	-	(7,507,462)	(177,070)
Purchase of loans and notes	(4,431,254)	-	(37,481,606)	-	-	(41,912,860)	-
Net cash provided by (used for) operating activities	1,488,518	610,356,379	22,876,781	(4,476,780)	33,454,334	663,699,232	(28,863,608)
Cash flows from noncapital financing activities							
Grant receipts	-	-	-	3,150	4,053,986	4,057,136	-
Proceeds from sale of bonds	174,491,571	-	16,230,000	-	-	190,721,571	-
Transfers and advances from other funds	26,877	(6,812,829)	12,648	759,715	16,881,972	10,868,383	15,399,025
Principal paid on noncapital debt	(40,621,480)	-	(7,605,051)	-	(14,260,000)	(62,486,531)	-
Interest paid on noncapital debt	(7,713,991)	-	(2,384,604)	-	(2,055,232)	(12,153,827)	-
Transfers and advances to other funds	-	-	(2,042,649)	-	(15,516,327)	(17,558,976)	(6,050,789)
Bond issuance costs	(2,073,123)	-	(281,193)	-	-	(2,354,316)	-
Net cash provided by (used for) noncapital financing activities	124,109,854	(6,812,829)	3,929,151	762,865	(10,895,601)	111,093,440	9,348,236
Cash flows from capital and related financing activities							
Proceeds from sale of capital assets	-	-	-	-	-	-	32,872
Purchase of capital assets	(6,619)	-	-	-	(84,329)	(90,948)	(1,444,029)
Principal paid on capital debt	-	-	-	-	(356,000)	(356,000)	(949,496)
Interest paid on capital debt	-	-	-	-	(238,515)	(238,515)	-
Principal received on leases	-	-	-	-	-	-	121,304
Interest received on leases	-	-	-	-	-	-	5,098
Principal paid on leases	-	-	-	(1,138)	(1,652,499)	(1,653,637)	(3,616,842)
Interest paid on leases	-	-	-	(141)	(58,618)	(58,759)	(258,121)
Net cash provided by (used for) capital and related financing activities	(6,619)	-	-	(1,279)	(2,389,961)	(2,397,859)	(6,109,214)
Cash flows from investing activities							
Proceeds from sale of investments	451,723,117	-	-	-	-	451,723,117	-
Purchase of investments	(591,124,988)	-	-	(6,527,060)	-	(597,652,048)	-
Interest, dividends and gains (losses)	14,406,342	17,297,967	2,071,081	6,847,271	848,693	41,471,354	2,648,191
Net cash provided by (used for) investing activities	(124,995,529)	17,297,967	2,071,081	320,211	848,693	(104,457,577)	2,648,191
Net increase (decreases) in cash	596,224	620,841,517	28,877,013	(3,394,983)	21,017,465	667,937,236	(22,976,395)
Cash and cash equivalents, July 1 (as restated)	1,685,661	663,185,619	145,132,655	6,355,240	166,619,502	982,978,677	206,593,323
Cash and cash equivalents, June 30	$ 2,281,885	$ 1,284,027,136	$ 174,009,668	$ 2,960,257	$ 187,636,967	$ 1,650,915,913	$ 183,616,928

(continued)

	Enterprise Funds						
	Major Funds						
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Nonmajor Enterprise Funds	Totals	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities							
Operating income (loss)	$ 10,828,173	$ 544,732,218	$ 21,816,431	$ 17,965,474	$ 14,140,440	$ 609,482,736	$ (56,069,684)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities							
Depreciation and amortization	908,491	-	6,815	1,397	2,229,817	3,146,520	8,550,968
Investment income/loss	(15,095,829)	-	-	-	-	(15,095,829)	-
Interest paid on noncapital debt	9,053,971	-	1,201,160	-	-	10,255,131	-
Debt issuance costs	2,073,123	-	281,193	-	-	2,354,316	-
Decrease (increase) in loans and notes receivable	(3,765,626)	-	(805,621)	-	-	(4,571,247)	5,000
Decrease (increase) in accrued interest and receivables	(3,678,108)	78,701,674	204,996	2,988,790	(1,280,818)	76,936,534	568,367
Decrease (increase) in inventory, deferred charges, other assets	-	-	(2,886)	(1,086)	(448,239)	(452,211)	169,783
Decrease (increase) in deferred outflow of resources	(172,474)	-	(61,174)	(14,909)	(1,016,943)	(1,265,500)	(1,484,953)
Increase (decrease) in accounts payable, accruals, other liabilities	551,710	(13,077,513)	3,191	(25,463,952)	19,729,514	(18,257,050)	10,982,042
Increase (decrease) in unearned revenues	-	-	-	-	(2,667,965)	(2,667,965)	4,235,281
Increase (decrease) in net pension liability	1,796,816	-	387,401	214,681	22,110,044	24,508,942	32,588,955
Increase (decrease) in net OPEB liability	(61,558)	-	101,086	(11,259)	(1,213,823)	(1,185,554)	(1,531,480)
Increase (decrease) in deferred inflows of resources	(950,171)	-	(255,811)	(155,916)	(18,127,693)	(19,489,591)	(26,877,887)
Total adjustments	(9,339,655)	65,624,161	1,060,350	(22,442,254)	19,313,894	54,216,496	27,206,076
Net cash provided by (used for) operating activities	$ 1,488,518	$ 610,356,379	$ 22,876,781	$ (4,476,780)	$ 33,454,334	$ 663,699,232	$ (28,863,608)
Noncash investing, capital and financing activities							
Increase (decrease) in fair value of investments	-	$ -	$ -	$ 32,319,842	$ -	$ 32,319,842	$ -
Lease liability for a right to use leased asset	-	-	-	6,753	-	6,753	6,821,697

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

Statement of Fiduciary Net Position
Fiduciary Funds

June 30, 2023

	Pension and Other Employee Benefits Trust Funds	Investment Trust Funds	Private purpose trust funds	Custodial Funds
Assets				
Cash and pooled investments:				
Cash with treasurer	$ 2,199,374	$ -	$ 13,409,371	$ 87,753,282
Cash in custody of other officials	764,361,182	9,934,411	49,509,900	3,220,181
Investments	57,374,676,873	2,595,652,501	38,351,026,942	-
Receivables:				
Taxes receivable	-	-	-	113,509,102
Intergovernmental receivables	182,858,140	-	41,752	268
Accrued interest and dividends	224,031,845	13,195,948	1,408,926	-
Other receivables	3,021	-	-	207,693,346
Contributions receivables	-	-	40,204,551	-
Pending trades receivable	68,192,819	683,065	3,189,110	-
Due from other funds	25,639,153	-	1,143,018	536,322,708
Due from fiduciary funds	14,260	-	-	193,115
Due from component units	1,526,308	-	-	-
Other assets	3,962,814	-	-	-
Furniture and equipment	57,334,667	-	48,222	-
Less accumulated depreciation/amortization	(44,377,789)	-	(48,222)	-
Total assets	58,660,422,667	2,619,465,925	38,459,933,570	948,692,002
Liabilities				
Accounts payable and accruals:				
Accounts payable	10,050,950	69,245	3,994,765	2,764,387
Intergovernmental payables	-	59,089	95,297	665,635,184
Redemptions payable	-	-	28,468,868	-
Pending trades payable	141,445,327	2,181,489	12,714,175	-
Bank overdraft	-	-	3,031,000	-
Due to other funds	34,421,927	6,206	2,280,753	-
Due to fiduciary funds	14,260	-	193,115	-
Other liabilities:				
Other liabilities	-	34,102	-	-
Total liabilities	185,932,464	2,350,131	50,777,973	668,399,571
Net Position				
Restricted for:				
Pension benefits	58,505,017,521	-	-	-
Pool participants	-	2,617,115,794	-	-
Individuals and other governments	-	-	38,409,155,597	280,292,431
Unrestricted (deficit)	(30,527,318)	-	-	-
Total net position	$ 58,474,490,203	$ 2,617,115,794	$ 38,409,155,597	$ 280,292,431

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

Statement of Changes in Fiduciary Net Position
Fiduciary Funds

For the Fiscal Year Ended June 30, 2023

	Pension and Other Employee Benefits Trust Funds	Investment Trust Funds	Private purpose trust funds	Custodial Funds
Additions				
Contributions:				
Employer	$ 1,210,317,239	$ -	$ -	$ -
Plan members	1,164,307,098	-	-	-
Participants	-	-	3,073,691,120	-
Repayment and purchase of service	62,921,762	-	-	-
Total contributions	2,437,546,099	-	3,073,691,120	-
Investment income:				
Net increase (decrease) in fair value of investments	3,773,611,858	78,513,666	2,498,419,376	-
Interest, dividends	1,100,670,755	80,524,999	974,953,839	7,071
Securities lending	2,122,178	-	-	-
Other	174,299,111	-	-	-
	5,050,703,902	159,038,665	3,473,373,215	7,071
Less investment expense:				
Other	(75,756,373)	(108,754)	-	-
Net investment income (loss)	4,974,947,529	158,929,911	3,473,373,215	7,071
Other:				
Investment from local governments	-	1,130,570,156	-	-
Taxes and fees collected for other governments	-	-	-	4,055,663,541
Child support collections	-	-	-	208,344,801
Other	1,560,038	2,624	-	111,836,938
Total other	1,560,038	1,130,572,780	-	4,375,845,280
Total additions	7,414,053,666	1,289,502,691	6,547,064,335	4,375,852,351
Deductions				
Principal redeemed	-	1,525,523,323	2,399,471,641	-
Benefit payments	3,538,485,730	-	28,520,002	187,085
Refunds	51,102,915	-	-	-
Contribution distributions	-	14,713,910	-	-
Administrative expense	14,321,214	580,823	43,265,836	-
Payment of taxes and fees to other governments	-	-	-	4,110,670,124
Child support payments	-	-	-	211,106,731
Restitution payments	-	-	-	2,198,706
Total deductions	3,603,909,859	1,540,818,056	2,471,257,479	4,324,162,646
Change in net position	3,810,143,807	(251,315,365)	4,075,806,856	51,689,705
Net position - beginning	54,664,346,396	2,868,431,159	34,333,348,741	368,973,025
Prior period adjustment	-	-	-	(140,370,299)
Net position - beginning, as restated	54,664,346,396	2,868,431,159	34,333,348,741	228,602,726
Net position - ending	$ 58,474,490,203	$ 2,617,115,794	$ 38,409,155,597	$ 280,292,431

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

Combining Statement of Net Position
Discretely Presented Component Units

June 30, 2023

	Major Component Units		Nonmajor Component Unit	
	Colorado River Commission	Nevada System of Higher Education	Nevada Capital Investment Corporation	Total
Assets				
Cash and pooled investments	$ 18,492,569	$ 254,518,000	$ -	$ 273,010,569
Investments	-	1,695,673,000	23,042,357	1,718,715,357
Due from primary government	296,767	48,609,323	-	48,906,090
Accounts receivable	1,759,537	86,577,242	-	88,336,779
Intergovernmental receivables	-	92,441,435	-	92,441,435
Accrued interest and dividends	296,663	-	12,500	309,163
Notes/loans receivable	-	5,068,000	-	5,068,000
Leases receivable	-	73,243,000	-	73,243,000
Other receivables	-	5,483,000	-	5,483,000
Inventory	-	6,987,000	-	6,987,000
Prepaid expenses	23,890,438	-	-	23,890,438
Restricted assets:				
Cash	2,557,759	21,252,000	-	23,809,759
Investments	-	18,864,000	-	18,864,000
Other assets	-	136,254,000	-	136,254,000
Capital assets:				
Land, infrastructure and construction in progress	-	376,783,000	-	376,783,000
Other capital assets, net	39,108,031	2,437,158,000	-	2,476,266,031
Total assets	86,401,764	5,258,911,000	23,054,857	5,368,367,621
Deferred Outflows of Resources				
Deferred charge on refunding	-	2,728,000	-	2,728,000
Pension related amounts	2,470,716	266,269,000	-	268,739,716
OPEB related amounts	180,812	38,129,000	-	38,309,812
Total deferred outflows of resources	2,651,528	307,126,000	-	309,777,528
Liabilities				
Accounts payable	2,182,663	51,617,136	-	53,799,799
Accrued payroll and related liabilities	228,204	102,983,000	-	103,211,204
Interest payable	245,618	12,041,000	-	12,286,618
Due to primary government	6,117	336,864	18,962,197	19,305,178
Unearned revenues	3,647,788	72,232,000	-	75,879,788
Other liabilities	2,494,741	30,467,000	-	32,961,741
Long-term liabilities:				
Portion due or payable within one year:				
Finance agreements	-	1,797,000	-	1,797,000
Leases	-	8,669,000	-	8,669,000
Software subscriptions	-	14,207,000	-	14,207,000
Compensated absences	312,187	41,981,000	-	42,293,187
Bonds payable	815,000	35,032,000	-	35,847,000
Portion due or payable after one year:				
Federal advances	-	3,394,000	-	3,394,000
Finance agreements	-	41,672,000	-	41,672,000
Leases	-	44,723,000	-	44,723,000
Software subscriptions	-	33,853,000	-	33,853,000
Net pension liability	7,189,046	501,370,000	-	508,559,046
Net OPEB liability	2,402,029	584,918,000	-	587,320,029
Compensated absences	244,727	22,255,000	-	22,499,727
Bonds payable	23,480,103	628,988,000	-	652,468,103
Unearned revenue	36,369,986	-	-	36,369,986
Total liabilities	79,618,209	2,232,536,000	18,962,197	2,331,116,406
Deferred Inflows of Resources				
Lease related amounts	-	102,518,000	-	102,518,000
Split-interest agreements	-	8,432,000	-	8,432,000
Service concession arrangement	-	1,531,000	-	1,531,000
Gain on refunding	-	4,061,000	-	4,061,000
Pension related amounts	327,732	119,205,000	-	119,532,732
OPEB related amounts	280,953	68,415,000	-	68,695,953
Total deferred inflows of resources	608,685	304,162,000	-	304,770,685
Net Position				
Net investment in capital assets	39,108,031	2,034,763,000	-	2,073,871,031
Restricted for:				
Capital projects	-	25,910,000	-	25,910,000
Debt service	-	43,024,000	-	43,024,000
Scholarships	-	737,909,000	-	737,909,000
Loans	-	5,680,000	-	5,680,000
Education - K to 12	-	-	4,092,660	4,092,660
Research and development	12,757,203	-	-	12,757,203
Funds held as permanent investments:				
Nonexpendable	-	505,205,000	-	505,205,000
Unrestricted (deficit)	(43,038,836)	(323,152,000)	-	(366,190,836)
Total net position	$ 8,826,398	$ 3,029,339,000	$ 4,092,660	$ 3,042,258,058

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

Combining Statement of Activities
Discretely Presented Component Units

For the Fiscal Year Ended June 30, 2023

	Major Component Units		Nonmajor Component Unit	
	Colorado River Commission	Nevada System of Higher Education	Nevada Capital Investment Corporation	Total
Expenses	$ 45,362,085	$ 2,248,441,000	$ 2,013,499	$ 2,295,816,584
Program revenue:				
Charges for services	45,419,289	763,339,000	-	808,758,289
Operating grants and contributions	-	682,769,000	-	682,769,000
Capital grants and contributions	-	3,252,000	-	3,252,000
Total program revenue	45,419,289	1,449,360,000	-	1,494,779,289
General revenues:				
Unrestricted investment earnings (loss)	-	132,059,000	940,723	132,999,723
Gain on sale of assets	508,115	2,229,000	-	2,737,115
Other general revenues	130,807	14,016,000	-	14,146,807
Contributions to permanent funds	-	72,489,000	-	72,489,000
Payments from State of Nevada	-	667,387,000	-	667,387,000
Total general revenues, contributions and payments	638,922	888,180,000	940,723	889,759,645
Change in net position	696,126	89,099,000	(1,072,776)	88,722,350
Net position - beginning	8,130,272	2,931,770,000	5,165,436	2,945,065,708
Prior period adjustment	-	8,470,000	-	8,470,000
Net position - beginning, as restated	8,130,272	2,940,240,000	5,165,436	2,953,535,708
Net position - ending	$ 8,826,398	$ 3,029,339,000	$ 4,092,660	$ 3,042,258,058

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

Note 1. Summary of Significant Accounting Policies

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

A. Description of Government-wide Financial Statements

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

B. Reporting Entity

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

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

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

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

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

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

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

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

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

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

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

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

Public Employees' Retirement System
Carson City, NV
Legislators' Retirement System
Carson City, NV
Judicial Retirement System
Carson City, NV
Retirement Benefits Investment Fund
Carson City, NV
Nevada System of Higher Education
Reno, NV
Colorado River Commission
Las Vegas, NV
Nevada Capital Investment Corporation
Carson City, NV

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

C. Basis of Presentation

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

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

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

The State reports the following major governmental funds:

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

State Education Fund - accounts for a combination of State and local revenues to be used for the basic support guarantee per pupil that is established by the Legislature each biennium.

Nonmajor governmental funds - the State's nonmajor governmental funds include special revenue funds, capital projects funds and debt service funds. The nonmajor special revenue funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The debt service funds account for resources used for the payment of principal and interest on the State's bonds issued in support of governmental activities. The capital project funds account for resources used for capital outlays. The permanent funds account for resources that were restricted to the extent that only earnings, and not principal, may be used for purposes that support certain State programs.

The State reports the following major enterprise funds:

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

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

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

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

Nonmajor enterprise funds - the State's nonmajor enterprise funds account for the State's business type operations for which a fee is charged to external users for goods or services including: Workers' Compensation and Safety, Insurance Administration and Enforcement, Gaming Investigative, Forestry Nurseries, Prison Industry, Nevada Magazine, Marlette Lake Water System and State Infrastructure Bank.

Additionally, the State reports the following fund types:

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

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

Investment Trust Funds - report resources received from local governments that are either pooled in an external investment portfolio for the benefit of all participants or separated into subaccounts of identified investments allocated to specific participating local governments. Examples include the Local Government Investment Pool, the Nevada Enhanced Savings Term and the Retirement Benefits Investment Fund.

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

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

D. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

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

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

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

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

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

Lease Receivables - Lease receivables are recorded by State at the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received are discounted based on the interest rate that the State charges the lessee. Lease receivables are presented in Note 4 and 8.

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

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

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

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

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

Advances to Other Funds - Long-term interfund advances are recorded by the advancing fund as a receivable. These amounts are reported in the nonspendable fund balance in the General Fund to maintain the accountability and to disclose properly the amount available for appropriation. In other governmental funds this amount will be reported in restricted, committed, or

assigned fund balances. Repayments are credited to the receivable and corresponding reductions are made in the appropriate fund balance. A summary of interfund advances is presented in Note 5.

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

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

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

Intangible right to use assets include lease assets and subscription-based software and represent the State's right to use an underlying asset for the lease/subscription term. The intangible right to use assets are measured at the initial value of the lease/subscription liability, plus any payments made to the lessor/vendor before commencement of the lease/subscription term, plus any capitalizable implementation costs, less any incentives received from the lessor/vendor at or before commencement of the lease/subscription term. Intangible right to use assets are amortized over the shorter of the lease/subscription term or useful life of the underlying asset using the straight-line method.

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

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

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

Lease liabilities and software subscription liabilities represent the State's obligation to make lease payments arising from the lease/subscription contract. The liabilities are recognized at the lease/subscription commencement date based on the present value of future lease payments expected to be made during the lease/subscription term. The present value of lease/subscription payments are discounted based on a borrowing rate determined by the State. Additional disclosure related to lease liabilities and software subscription liabilities are provided in Note 9.

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

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

Deferred inflows of resources related to leases where the State is the lessor are reported in the governmental funds balance sheet and statement of net position. The deferred inflows of resources related to leases are recognized as an inflow of resources (revenue) on the straight-line basis over the term of the lease.

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

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

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

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

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

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

Stabilization Arrangement – NRS 353.288 provides for the Account to Stabilize the Operation of the State Government (Stabilization Account) in the State General Fund. Additions to the stabilization arrangement are triggered at the end of a fiscal year if the General Fund unrestricted fund balance (budgetary basis) exceeds 7% of General Fund operating appropriations. Forty percent of the excess is deposited to the Stabilization Account, and is classified on the balance sheet as committed for fiscal emergency. Additionally, commencing with the fiscal year that began on July 1, 2017, 1% of the total anticipated revenue for the fiscal year in which the transfer will be made as projected by the Economic Forum for that fiscal year, is also deposited to the Stabilization Account. Expenditures may occur if actual revenues for the biennium fall short by 5% or more from anticipated revenues, if the Legislature and Governor declare that a fiscal emergency exists or if the Legislature allocates it to be used for any other purpose. The balance in the Stabilization Account committed for fiscal emergency at June 30, 2023 is $1,186,377,203.

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

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

F. Revenues and Expenditures/Expenses

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

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

Grants – The State participates in various federal award programs which are received in both cash and noncash forms. Grants and other entitlements are recognized as revenues when all eligibility requirements are met, including any time requirements, and the amount is received within 60 days after year-end. Federal reimbursement type grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received within 60 days after year-end. Certain grants have matching requirements in which the State must contribute a proportionate share of the total costs of a program. Use of grant resources is conditioned upon compliance with terms of the grant agreements and applicable federal regulations, which include subjecting grants to financial and compliance audits.

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

G. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2. Budgetary and Legal Compliance

Budgetary Process and Control

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

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

within each department or agency.

Limited budgetary revisions may be made without Legislative action through the following management/administrative procedures. After obtaining the approval of the Governor, or his designee, the Budget Director, Legislative Interim Finance Committee (LIFC) approval is required of those revisions in excess of $30,000 which have the effect, when taken into consideration with all other changes during the fiscal year, of increasing or decreasing any legislatively approved expenditure level by 10% or $75,000, whichever is less. Revisions not exceeding this threshold require only Budget Director approval. The LIFC approval is not equivalent to governing body approval, as total appropriations for a program may not be increased except as follows.

The Legislature appropriates limited funds to the Contingency Account, in the General Fund, which may be allocated to programs by the LIFC upon recommendation of the Board of Examiners. Allocations totaling $9,936,261 were made in the 2023 fiscal year. Unencumbered appropriations lapse at the end of each fiscal year unless specific authority to carry forward is granted in the Appropriations Act. Unexpended authorized resources, under the Authorized Expenditures Act, are carried forward for expenditure in the next fiscal period.

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

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

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

Note 3. Deposits and Investments

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

A. Deposits

Primary Government and Fiduciary Funds - The State minimizes its custodial credit risk by legislation establishing a program to monitor a collateral pool for public deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the State's deposits may not be recovered. NRS 356 directs the Office of the State Treasurer to deposit funds into any state, or national bank, credit union or savings and loan association covered by the Federal Depository Insurance Corporation (FDIC) insurance. For those deposits over and above the federal depository insurance maximum balance, sufficient collateral must be held by the financial institution to protect the State of Nevada against loss. The pooled collateral for deposits program maintains a 102% pledged collateral for all public deposits. As of June 30, 2023, cash in bank was $216,189,471 of which $93,034,409 was collateralized and $119,495,580 was uncollateralized and uninsured. In addition, some cash in bank was insured by other insurances that are not FDIC, including $178,880 insured by American Share Insurance and $60,943 insured by Securities Investor Protection Corporation.

Component Units - Cash and cash equivalents of the Nevada System of Higher Education (NSHE) are stated at cost, which approximates market, and consist of deposits in money market funds, which are not federally insured, and cash in the bank. At

June 30, 2023 NSHE's deposits in money market funds totaled $177,884,000 and cash in bank was $1,466,000. Of these balances, $250,000 are covered by FDIC; the remaining deposits are uncollateralized and uninsured.

B. Investments

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

Cash and Investments are also discussed in Note 1 under Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance.

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

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

The College Savings Plan of Nevada was created under Title 31, Chapter 353B of the Nevada Revised Statutes, as amended, to encourage individuals and families to save for future costs of higher education. The plan is designed to qualify for treatment as a qualified tuition program under Section 529 of the Internal Revenue Code of 1986, as amended, and any regulations and other guidance issued thereunder. Plan assets are held for the benefit of account owners and their designated beneficiaries in the Nevada College Savings Trust. The Board of Trustees is responsible for the overall administration of the program, subject to implementing regulations set forth in the Nevada Administration Code. Pursuant to NRS 353B.005 the Board of Trustees consists of five members, the State Treasurer, who may name a designee to serve on the Board on his or her behalf; the Director of the Office of Finance, or designee; the Chancellor of the System, or a designee; and two members appointed by the Governor. The State of Nevada, acting through the Board of the College Savings Plan, and acting by and through its Administrator, the State Treasurer, offers and administers the various plans. Complete financial statements for the College Savings Plans may be obtained from the State Treasurer's Office, 101 N. Carson Street, Suite 4, Carson City, NV 89701.

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

Primary Government and Fiduciary Funds - The State minimizes interest rate risk by maintaining an effective duration of less than 1.5 years and holding at least 25% of the portfolio's total market value in securities with a maturity of 12 months or less. However, the benchmark used by the State Treasurer to determine whether competitive market yields are being achieved is the 90 day U.S. Treasury Bill's average over the previous three month period (Rolling 90 day T-Bill). Investment policies for the pension and other employee benefit trust funds authorize all securities within the Barclays Aggregate Index benchmark. If securities are purchased outside the Barclays U.S. Treasury Index, they must be of investment grade rating by at least two of the following: Moody's, Standard & Poor's or Fitch (BBB- or better by Standard & Poor's/Fitch, Baa3 or better by Moody's) except those issued or guaranteed by the U.S. Government or its agencies. The following table provides information about the interest rate risks associated with the State's investments as of June 30, 2023 (expressed in thousands):

	Fair Value	Maturities in Years			
		Less Than 1	1-5	6-10	More Than 10
Asset backed corporate securities	$ 100,212	$ -	$ 47,858	$ 41,001	$ 11,353
Collateralized mortgage obligations	308,393	-	-	-	308,393
Commercial paper	1,365,854	1,365,854	-	-	-
Corporate bonds and notes	1,307,582	272,867	1,028,255	6,460	-
Negotiable certificate of deposit	684,684	684,219	465	-	-
Other investments	322,794	125,586	197,208	-	-
Repurchase agreements	600,000	600,000	-	-	-
Short-term investments	24,653	24,653	-	-	-
U.S. agencies	2,987,931	1,230,685	944,802	150,866	661,578
U.S. Treasury securities	17,412,501	1,830,049	9,992,182	2,648,087	2,942,183
Total	$ 25,114,604	$ 6,133,913	$ 12,210,770	$ 2,846,414	$ 3,923,507

Private Purpose Trust Fund - Nevada College Savings Plan, a private purpose trust, currently has no formal investment policy with regard to interest rate risk for the investments. Account owners do not own the underlying securities within the portfolios. Rather, account owners have a fractional interest in an investment option that is evidenced by a unit. The underlying security portfolios held by Vanguard, USAA, Future Path, Putnam and Wealthfront have various maturities from 18 days to 13.25 years and are not included in the table above. More descriptive information regarding the underlying security portfolios can be obtained from the separately issued financial statments for each of the savings plans.

Component Unit – The Nevada System of Higher Education's (NSHE) policy for reducing its exposure to interest rate risk is to have an average investment life of at least two years for fixed income securities within both the endowment and operating investment pools. With regard to the trusts included in endowment investments, NSHE is not the trustee of these investments and, therefore, currently has no policies with regard to interest rate risk for these investments. Investments having interest rate risk are principally invested in mutual funds and private commingled funds. The following table provides the segmented time distribution for these investments at June 30, 2023 (expressed in thousands):

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

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

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

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

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

The State's investments as of June 30, 2023 were rated by Standard & Poor's and/or an equivalent national rating organization, and the ratings are presented below using the Standard & Poor's rating scale (at fair value, expressed in thousands):

	Quality Rating							
	AAA	AA	A	BBB	BB	B	CCC	Unrated
Asset backed corporate securities	$ 86,695	$ -	$ -	$ -	$ -	$ -	$ -	$ 13,517
Commercial paper	-	-	890,315	-	-	-	-	99,777
Corporate bonds and notes	30,576	337,764	637,888	121,547	-	-	-	179,807
Equity securities	-	-	-	-	-	-	-	35,939,171
Money market mutual funds	380,448	-	-	-	-	-	-	964,253
Mutual funds and ETFs	-	-	-	-	-	-	-	507,171
Negotiable certificate of deposit	-	-	-	-	-	-	-	434,698
Other investments	44,438	61,336	44,806	-	-	-	-	172,214
Private equity	-	-	-	-	-	-	-	4,799,222
Real estate	-	-	-	-	-	-	-	3,058,559
Repurchase agreements	-	-	-	-	-	-	-	600,000
Short-term investments	23,211	-	-	-	-	-	-	198
U.S. agencies and mortgage backed	184,072	2,226,610	-	-	-	-	-	465,835
529 pools	-	-	-	-	-	-	-	38,351,027
Total	$ 749,440	$ 2,625,710	$ 1,573,009	$ 121,547	$ -	$ -	$ -	$ 85,585,449

The primary government holds $17,720,894 in U.S. Treasuries and guaranteed collaterallized mortgages. There is no credit risk assigned to these securities as these are explicitly guaranteed by the U.S. Government.

Short-term ratings are generally assigned to securities that originally mature within 365 days. A short-term rating of A-1 is rated in the highest category by Standard and Poor with a plus sign (+) indicating that the obligor's capacity to meet its financial commitment is extremely strong. In general, an A-1+ rating is equivalent to AA - AAA long-term ratings, whereas an A-1 rating is generally equivalent to an A long-term rating. The State has short-term ratings that are not included in the Quality Rating table above, as follows (at fair value, expressed in thousands):

	Short-term Ratings			
	A-1+	A-1	A-3	P-1
Commercial paper	$ 49,926	$ 325,836	$ -	$ -
Negotiable certificates of deposit	124,719	124,802	-	465
Short-term investments	-	727	517	-
U.S. agencies	111,414	-	-	-
Total	$ 286,059	$ 451,365	$ 517	$ 465

Component Unit – The NSHE's policy for reducing its exposure to credit risk is to maintain a weighted average credit rating of AA or better, and never below A, for investments with credit risk within both the endowment and operating investment pools. With regard to the trusts included in endowment investments, NSHE is not the trustee of these investments and therefore, it currently has no policies with regard to credit risk for these investments. The credit risk profile for NSHE operating and endowment investments at June 30, 2023 is as follows (at fair value, expressed in thousands):

	Unrated
Mutual funds publicly traded	$ 441,069
Partnerships	111,666
Endowment cash/cash equivalents	182,086
Trust(s)	4,157
Private commingled funds	319,456
	1,058,434
Less: GBC Foundation Endowments	(9,287)
Total	$ 1,049,147

Custodial Credit Risk: Custodial credit risk is the risk that in the event of the failure of the custodian, the investment may not be returned.

Primary Government and Fiduciary Funds - The Office of the State Treasurer's Office's investment policies do not contain any specific language regarding custodial credit risk. As of June 30, 2023, $283,497 of long-term time deposits in the outside bank accounts of the primary government is uninsured and uncollateralized, therefore, exposed to custodial credit risk.

The Housing Division has investments exposed to custodial credit risk. These investments may be uninsured and unregistered investments for which the securities are held by a counterparty or by its agent or trust department, but not in the Division's name. The Division's policy limits the risk by diversifying the number of money market funds utilized. No securities backing money market funds, into which the Housing Division invests, are currently held by the agency's bond trustee.

Private Purpose Trust Fund - Nevada College Savings Plan, a private purpose trust, currently has no formal investment policy with regard to custodial credit risk for the investments. The investments in the Vanguard Short-Term Reserves Account include $4,388,853,000 related to funding agreements with insurance companies that are uncollateralized and, therefore, exposed to custodial credit risk. Vanguard mitigates the risk by monitoring the credit quality of each counterparty throughout the term of the investment. More information related to custodial credit risk may be obrtained from the separately issued financial statements for each of the savings plans, but generally the investment options represent shares of underlying mutual funds and are not subject to custodial credit risk.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issuer.

Primary Government and Fiduciary Funds - The NRS 355.140, 355.060, and the State Treasurer's investment policy limit the investing in any one issuer to 5% of the total par value of the portfolio. At June 30, 2023, no individual investment exceeded 5% of the total portfolio of the primary government.

At June 30, 2023, the following investments exceeded 5% of the Higher Education Tuition Trust's total investments (expressed in thousands):

	Fair Value	Percentage
Federal National Mortgage Association - Mortgage Backed Security	$ 35,703	9.19%

At June 30, 2023, the following investments exceeded 5% of the Local Government Investment Pool's total investments (expressed in thousands):

	Fair Value	Percentage
Federal Home Loan Bank Coupon Notes	$ 128,275	7.25%
Federal Home Loan Bank Discount Notes	111,414	6.30%

The Housing Division currently places no limit on the amount it may invest in any one issuer provided their ratings are in the highest two general rating categories. However, the Housing Division monitors rating changes on all issuers. If warranted, more concentrated investments may have to be diluted to alternative investment providers. As of June 30, 2023, the Housing Division's investment in Ginnie Mae is 52.25% of the Housing Division's total investments. The Ginnie Mae investment is in mortgage backed securities matched to the interest rate and maturity of the underlying bonds. Because such investments are matched to concomitant liabilities, the Housing Division is less concerned about a concentration risk on these investments.

Component Unit - The Nevada Capital Investment Corporation (NCIC) owns 99% equity interest in Silver State Opportunities Fund LLC (SSOF), a Nevada limited liability company, and 99.9% equity interest in Accion 2017G, LLC, (which later changed its name to Dreamspring 2017G, LLC), a New Mexico limited liability company, for the purpose of obtaining income. At June 30, 2023 the investment in equity interest of SSOF and Dreamspring exceeded 5% of NCIC's total investments.

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

Primary Government and Fiduciary Funds - The primary government does not have a policy regarding foreign currency risk; however, the State Treasurer's office does not have any deposits or investments in foreign currency. The PERS, LRS, JRS, and RBIF do have foreign currency policies for deposit and investments, which may be used for portfolio diversification and hedging. Highly speculative positions in currency are not permitted. LRS and JRS had no exposure to foreign currency risk as of June 30, 2023. The following table summarizes the pension and investment trust funds' exposure to foreign currency risk in U.S. dollars as of June 30, 2023 (expressed in thousands):

Currency by Investment and Fair Value					
	Equity	Private Equity	Pending Transactions	Cash	Total
Australian Dollar	$ 676,357	$ -	$ (500)	$ 1,133	$ 676,990
British Pound Sterling	1,369,546	61,000	(1,300)	4,638	1,433,884
Canadian Dollar	1,083,874	-	-	1,862	1,085,736
Danish Krone	281,769	-	-	117	281,886
Euro	3,103,809	441,800	(1,300)	2,669	3,546,978
Hong Kong Dollar	221,868	-	(300)	1,627	223,195
Israeli Shekel	37,413	-	(200)	219	37,432
Japanese Yen	2,072,223	-	(4,256)	9,261	2,077,228
New Zealand Dollar	19,211	-	-	9	19,220
Norwegian Krone	58,271	-	(100)	420	58,591
Singapore Dollar	112,964	-	-	219	113,183
Swedish Krona	300,907	-	(700)	2,117	302,324
Swiss Franc	928,209	-	(100)	217	928,326
Total	$ 10,266,421	$ 502,800	$ (8,756)	$ 24,508	$ 10,784,973

Component Unit - The NSHE does not directly invest in foreign currency investments and is therefore not subject to foreign currency risk. However, it has $227,784 in mutual funds and commingled funds in both the operating and endowment pools that are primarily invested in international equities at June 30, 2023.

Fair Value of Investments: The State uses the market approach to determine the fair value of its investments. The State categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are valued using quoted prices for identical securities in markets that are not active; Level 3 inputs are significant unobservable inputs. The following table summarizes the fair value measurements of the primary government and fiduciary funds investments as of June 30, 2023 (expressed in thousands):

	Fair Value Measurements Using					
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	NAV	Amortized Cost	Total
Asset backed corporate securities	$ -	$ 100,212	$ -	$ -	$ -	$ 100,212
Collateralized mortgage	-	-	-	-	308,393	308,393
Commercial paper	-	1,365,854	-	-	-	1,365,854
Corporate bonds & notes	7,361	1,300,221	-	-	-	1,307,582
Equity securities	35,898,155	-	-	41,016	-	35,939,171
Money market mutual funds	1,344,701	-	-	-	-	1,344,701
Mutual funds and ETFs	507,171	-	-	-	-	507,171
Negotiable certificates of deposit	-	684,684	-	-	-	684,684
Other investments	-	322,607	187	-	-	322,794
Private equity	-	-	-	4,799,222	-	4,799,222
Real estate	-	-	-	3,058,559	-	3,058,559
Repurchase agreements	-	600,000	-	-	-	600,000
Short-term investments	17,474	7,179	-	-	-	24,653
U.S. agencies and mortgage backed	13,608	2,941,272	-	-	33,051	2,987,931
U.S. Treasury securities	17,412,501	-	-	-	-	17,412,501
529 pools	-	38,351,027	-	-	-	38,351,027
Total	$ 55,200,971	$ 45,673,056	$ 187	$ 7,898,797	$ 341,444	$ 109,114,455

The following table represents investments in the pension trust funds (PERS, LRS, JRS) measured at the NAV as of June 30, 2023 (expressed in thousands):

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Commingled funds	$ 41,016	$ -	Daily	Trade date minus two business days
Private equity	4,799,222	1,653,300	N/A	N/A
Real estate separate accounts	3,058,559	-	N/A	N/A
Total	$ 7,898,797	$ 1,653,300		

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

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

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

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

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

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

*Component Unit*s - The fair value measurements of NSHE's investment holdings as of June 30, 2023 are summarized in the following table (expressed in thousands):

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

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

Private Growth - Strategies consist of private equity, private venture capital, and private natural resources. Assets in this category are either illiquid or have significant redemption restrictions. Unfunded commitments of $28,219,000 to private equity/venture capital funds are outstanding as of June 30, 2023.

Marketable Alternatives - Assets in the marketable alternatives category have a broad mandate and/or incorporate hedging strategies and have significant redemptions restrictions.

Real Assets - The System's holding in the real assets valued at NAV consists of funds which primarily invest in securities of publicly traded C-corporations, master limited partnerships and certain private placement transactions.

Fixed Income - The System's fixed income holdings valued at NAV consist of private and commingled funds with core fixed and short duration strategies.

Domestic Equity - The System's holdings valued at NAV within the domestic equity category consist of one commingled fund with a broad mandate which seeks to outperform the S&P 500 index.

Multi-Strategy - Assets in the multi-strategy category valued at NAV consist of one fund which seeks to provide long-term capital growth by investing in domestic and foreign stocks, real assets and bonds.

International Equity - The System's holdings at NAV within the international equity category consist of private commingled funds primarily focused on value.

Emerging Market Equity - The System's holdings at NAV within the emerging market equity category consist of private commingled funds which look to achieve long-term capital appreciation while investing in equity securities or equity-linked instruments of companies located in emerging market countries.

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

	Redemption Frequency	Days' Notice (if applicable)		Remaining life for Partnership
Marketable alternatives	Daily, Monthly, Quarterly, Semi-Annually, Annually	90		N/A
Private equity/venture capital	Illiquid	N/A		7 to 12 years
Domestic equity	Daily, Monthly, Quaterly	0-3		N/A
Fixed income	Daily, Monthly	Same Day		N/A
Emerging market equity	Daily, Weekly, Monthly	N/A		N/A
International equity	Daily, Monthly	N/A		N/A
Real assets	Daily, Montlhy, Quarterly	0-110 days		N/A
Multi-strategy	Daily	N/A		N/A

The Nevada Capital Investment Corporation (NCIC) has total investment holdings as of June 30, 2023 of $23,042,357. For fair value measurement purposes $915,273 is valued using Level 3 inputs and the remaining $22,127,084 is measured using net asset value and have not been classified in the fair value hierarchy.

C. Securities Lending

Primary Government and Investment Trust Funds - NRS 355.135 authorizes the State Treasurer to lend securities from the investment portfolio of the State if collateral received from the borrower is at least 102% of fair value of the underlying securities and the value of the securities borrowed is determined on a daily basis. There were no securities on loan at June 30, 2023 (excluding PERS).

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

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

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

At the April 2023 Retirement Board meeting, the Retirement Board voted to terminate the securities lending program, which phased out in May 2023. For fiscal year 2023, the net income from securities lending was $2,122,178.

D. Derivative Instruments

Primary Government – The Office of the State Treasurer's investment policies do not contain any specific language regarding derivative instruments other than prohibiting certain types of derivative instruments such as option contracts, futures contracts, and swaps in the General Portfolios and the Local Government Investment Pool effective June 2012 and August 2019 respectively. The primary government has no exposure to derivative instruments as of June 30, 2023.

Note 4. Receivables

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

	General Fund	State Education Fund	Nonmajor Governmental Funds	Total
As shown on financial statements:				
Accounts receivable	$ 156,630	$ -	$ 204,869	$ 361,499
Intergovernmental receivables	1,029,910	26,621	44,709	1,101,240
Notes/loans receivable	12,421	10	40,300	52,731
Finance agreements receivable	-	-	42,720	42,720
Leases receivable	-	-	5,123	5,123
Due from component units	167	-	19,129	19,296
Total	$ 1,199,128	$ 26,631	$ 356,850	$ 1,582,609
Classified:				
Current portion:	$ 1,125,952	$ 26,631	$ 92,355	$ 1,244,938
Noncurrent portion:				
Accounts receivable	-	-	160,214	160,214
Intergovernmental receivables	60,858	-	-	60,858
Notes/loans receivable	12,318	-	39,050	51,368
Finance agreements receivable	-	-	41,385	41,385
Leases receivable	-	-	4,884	4,884
Due from component units	-	-	18,962	18,962
Total noncurrent portion	73,176	-	264,495	337,671
Total	$ 1,199,128	$ 26,631	$ 356,850	$ 1,582,609

Not included in the receivable balances are amounts considered to be uncollectible. In the governmental funds, uncollectible taxes receivable are estimated at $167.9 million, and uncollectible accounts receivable are estimated at $211.9 million. The proprietary funds have $487.7 million in uncollectible accounts receivable of which $8.0 million are from the fines and penalties of Workers Compensation and Safety, and $468.6 million are from unemployment contributions and benefit overpayments.

Accounts receivable of $170 million, $5.2 million and $207.6 million in the Resilient Nevada special revenue fund, the Attorney General Settlement special revenue fund and the Intergovernmental Custodial Fund, respectively, are for settlements receivable deriving from the National Opioid Settlement and Litigation lawsuit. The receivables in the Intergovernmental

custodial fund are restricted specifically for disbursements to local governments per the One Nevada Agreement on Allocation of Opioid Recoveries.

Note 5. Interfund Transactions

A. Interfund Advances

A summary of interfund advances at June 30, 2023, follows (expressed in thousands):

	Advances From		
	General Fund	Nonmajor Governmental	Total
Advances To			
Nonmajor Enterprise	$ 62	$ -	$ 62
Internal Service Funds	4,298	1,983	6,281
Total other funds	$ 4,360	$ 1,983	$ 6,343

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

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

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

A summary of due from and due to other funds and component units at June 30, 2023, follows (expressed in thousands):

	Due To			
	Major Governmental Funds			
	General Fund	State Education Fund	Nonmajor Governmental	Total Governmental
Due From				
Major Governmental Funds:				
General	$ -	$ 483,731	$ 587,370	$ 1,071,101
State Education	51,394	-	-	51,394
Nonmajor Governmental	75,398	40,040	41,761	157,199
Total Governmental	126,792	523,771	629,131	1,279,694
Major Enterprise Funds:				
Housing Division	39	-	-	39
Unemployment Comp	-	-	181	181
Water Projects Loans	316	-	-	316
Higher Education Tuition Trust	32	-	-	32
Nonmajor Enterprise	3,973	-	34	4,007
Total Enterprise	4,360	-	215	4,575
Internal Service	3,088	-	2,192	5,280
Total other funds	$ 134,240	$ 523,771	$ 631,538	$ 1,289,549
Fiduciary	$ 253	$ -	$ 2,025	$ 2,278
Component Units:				
Colorado River Commission	$ -	$ -	$ 2	$ 2
Nevada System of Higher Education	$ 167	$ -	$ 165	$ 332
Nevada Capital Investment Corporation	-	-	18,962	18,962
Total Component Units	$ 167	$ -	$ 19,129	$ 19,296

	Due To							
	Major Enterprise Funds							
	Housing Division	Water Projects Loans	Higher Education Tuition Trust	Nonmajor Enterprise	Total Enterprise	Internal Service	Total Other Funds	Fiduciary
Due From								
Major Governmental Funds:								
General	$ 822	$ 2,679	$ 39	$ 18,132	$ 21,672	$ 37,456	$1,130,228	$ 562,002
State Education	-	-	-	-	-	-	51,394	-
Nonmajor Governmental	-	1	-	36	37	4,388	161,625	1,029
Total Governmental	822	2,680	39	18,168	21,709	41,844	1,343,247	563,031
Major Enterprise Funds:								
Housing Division	-	-	-	-	-	2	41	-
Unemployment Comp	-	-	-	-	-	-	181	-
Water Projects Loans	-	-	-	-	-	1	317	-
Higher Education Tuition Trust	-	-	-	-	-	1	33	-
Nonmajor Enterprise	-	-	-	75	75	99	4,181	63
Total Enterprise	-	-	-	75	75	103	4,753	63
Internal Service	-	-	-	6	6	851	6,137	11
Total other funds	$ 822	$ 2,680	$ 39	$ 18,249	$ 21,790	$ 42,798	$1,354,137	$ 563,105
Fiduciary	$ -	$ -	$ -	$ 9	$ 9	$ 34,422	$ 36,709	$ 207
Component Units:								
Colorado River Commission	$ -	$ -	$ -	$ -	$ -	$ 4	$ 6	$ -
Nevada System of Higher Education	-	-	-	-	-	5	337	1,526
Nevada Capital Investment Corporation	-	-	-	-	-	-	18,962	-
Total Component Units	$ -	$ -	$ -	$ -	$ -	$ 9	$ 19,305	$ 1,526

	Due To		
	Component Units		
	Colorado River Commission	Nevada System of Higher Education	Total Component Units
Due From			
Major Governmental Funds:			
General	$ 297	$ 44,930	$ 45,227
Nonmajor Governmental	-	3,652	3,652
Total Governmental	297	48,582	48,879
Major Enterprise Funds:			
Higher Education Tuition Trust	-	24	24
Total Enterprise	-	24	24
Internal Service	-	3	3
Total	$ 297	$ 48,609	$ 48,906

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

C. Transfers From/Transfers To Other Funds

A summary of transfers between funds for the year ended June 30, 2023, follows (expressed in thousands):

	Transfers Out/To		
	Major Governmental Funds		
	General Fund	Nonmajor Governmental	Total Governmental
Transfers In/From			
Major Governmental Funds:			
General	$ -	$ 133,615	$ 133,615
State Education	1,273,938	41,543	1,315,481
Nonmajor Governmental	573,647	158,923	732,570
Total Governmental	1,847,585	334,081	2,181,666
Major Enterprise Funds:			
Housing	27	-	27
Higher Education Tuition Trust	777	-	777
Water Project Loans	13	-	13
Nonmajor Enterprise	14,373	16,648	31,021
Total Enterprise	15,190	16,648	31,838
Internal Service	39,758	-	39,758
Total other funds	$ 1,902,533	$ 350,729	$ 2,253,262

	Transfers Out/To								
	Major Enterprise Funds								
	Housing Division	Unemployment Compensation	Higher Education Tuition Trust	Water Projects Loans	Nonmajor Enterprise Funds	Total Enterprise	Internal Service	Total Other Funds	Fiduciary
Transfers In/From									
Major Governmental Funds:									
General	$ -	$ -	$ -	$ 1,903	$ 15,023	$ 16,926	$ 967	$ 151,508	$ -
State Education	-	-	-	-	-	-	-	1,315,481	-
Nonmajor Governmental	-	6,352	-	-	-	6,352	89	739,011	-
Total Governmental	-	6,352	-	1,903	15,023	23,278	1,056	2,206,000	-
Major Enterprise Funds:									
Housing	-	-	-	-	-	-	-	27	-
Higher Education Tuition Trust	-	-	-	-	-	-	-	777	-
Water Project Loans	-	-	-	-	-	-	-	13	-
Nonmajor Enterprise	-	-	-	-	12	12	-	31,033	-
Total Enterprise	-	-	-	-	12	12	-	31,850	-
Internal Service	-	-	-	-	-	-	-	39,758	-
Total other funds	$ -	$ 6,352	$ -	$ 1,903	$ 15,035	$ 23,290	$ 1,056	$ 2,277,608	$ -
Fiduciary	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,408

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

Note 6. Restricted Assets

Various debt service, operation and maintenance, capital improvement and construction (acquisition) funding requirements of bond covenants, and trust indentures are recorded as restricted assets on the Statement of Net Position. The components of restricted assets at June 30, 2023 are as follows (expressed in thousands):

	Primary Government		
	Governmental Activities	Business-Type Activities	Component Units
Restricted:			
Cash	$ 92,510	$ 75,224	$ 23,810
Investments	-	176,942	18,864
Total	$ 92,510	$ 252,166	$ 42,674
Restricted for:			
Debt service	$ -	$ 176,942	$ 1,095
Capital projects	-	-	21,252
Capital projects -unspent bond proceeds	91,435	75,224	-
Regulation of business	1,075	-	-
Other purposes	-	-	20,327
Total	$ 92,510	$ 252,166	$ 42,674

Note 7. Capital Assets

Capital asset activity of the primary government for the year ended June 30, 2023, was as follows (expressed in thousands):

	Beginning Balance (Restated)*	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated				
Land	$ 178,292	$ 6,832	$ -	$ 185,124
Construction in progress	2,734,378	340,939	(268,519)	2,806,798
Infrastructure	6,054,598	193,226	-	6,247,824
Rights-of-way	973,631	4,318	(851)	977,098
Total capital assets, not being depreciated	9,940,899	545,315	(269,370)	10,216,844
Capital assets, being depreciated/amortized				
Buildings	2,128,048	30,315	-	2,158,363
Improvements other than buildings	168,341	11,217	-	179,558
Furniture and equipment	534,450	20,816	(13,402)	541,864
Software costs	336,536	7,213	(81)	343,668
Right to use leased building	214,454	34,975	(3,300)	246,129
Right to use leased equipment	9,364	3,200	(353)	12,211
Subscription based software	350,554	7,830	-	358,384
Total capital assets, being depreciated/amortized	3,741,747	115,566	(17,136)	3,840,177
Less accumulated depreciation/amortization for				
Buildings	(923,861)	(56,577)	-	(980,438)
Improvements other than buildings	(114,001)	(4,441)	-	(118,442)
Furniture and equipment	(404,448)	(34,262)	12,424	(426,286)
Software costs	(232,673)	(15,160)	57	(247,776)
Right to use leased building	(30,658)	(34,766)	3,294	(62,130)
Right to use leased equipment	(2,811)	(3,553)	481	(5,883)
Subscription based software	-	(82,901)	-	(82,901)
Total accumulated depreciation/amortization	(1,708,452)	(231,660)	16,256	(1,923,856)
Total capital assets, being depreciated/amortized, net	2,033,295	(116,094)	(880)	1,916,321
Governmental activities capital assets, net	$ 11,974,194	$ 429,221	$ (270,250)	$ 12,133,165

*The beginning balances of subscription based software have been restated due to the implementation of GASB Statement No. 96. (See Note 19)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated				
Land	$ 568	$ 20	$ -	$ 588
Total capital assets, not being depreciated	568	20	-	588
Capital assets, being depreciated/amortized				
Buildings	1,407	-	-	1,407
Improvements other than buildings	5,042	-	-	5,042
Furniture and equipment	7,680	70	(136)	7,614
Right to use leased building	3,826	890	(1,553)	3,163
Right to use leased equipment	112	9	(34)	87
Total capital assets, being depreciated	18,067	969	(1,723)	17,313
Less accumulated depreciation/amortization for				
Buildings	(1,344)	(42)	-	(1,386)
Improvements other than buildings	(2,471)	(75)	-	(2,546)
Furniture and equipment	(5,824)	(446)	137	(6,133)
Right to use leased building	(1,614)	(1,688)	1,566	(1,736)
Right to use leased equipment	(40)	(20)	20	(40)
Total accumulated depreciation/amortization	(11,293)	(2,271)	1,723	(11,841)
Total capital assets, being depreciated/amortized, net	6,774	(1,302)	-	5,472
Business-type activities capital assets, net	$ 7,342	$ (1,282)	$ -	$ 6,060

Included in the table above are three Department of Corrections facilities that have been closed. These assets are idle, with a carrying value of $6.7 million.

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

Governmental activities:	
General government	$ 11,748
Education, support services	9,957
Health services	5,407
Law, justice, public safety	119,824
Recreation, resource development	8,576
Social services	35,256
Transportation	22,213
Regulation of business	6,732
Unallocated	3,396
Depreciation and amortization on capital assets held by the State's internal service funds is charged to the various functions based on their use of the assets	8,551
Total depreciation/amortization expense - governmental activities	$ 231,660
Business-type activities:	
Housing	$ 34
Workers' compensation and safety	1,616
Higher education tuition	1
Other	622
Total depreciation/amortization expense - business-type activities	$ 2,273

Capital asset activity of the Nevada System of Higher Education for the year ended June 30, 2023, was as follows (expressed in thousands):

	Beginning Balance (Restated)*	Increases	Decreases	Ending Balance
Nevada System of Higher Education:				
Capital assets, not being depreciated				
Construction in progress	$ 183,146	$ 92,301	$ (106,834)	$ 168,613
Land	179,180	13,771	-	192,951
Land improvements	288	-	-	288
Intangibles	-	1,350	-	1,350
Collections	13,270	331	(20)	13,581
Total capital assets, not being depreciated	375,884	107,753	(106,854)	376,783
Capital assets, being depreciated/amortized				
Buildings	3,404,650	188,393	-	3,593,043
Land improvements	182,084	4,216	-	186,300
Machinery and equipment	450,360	39,653	(16,246)	473,767
Intangibles	53,759	1,149	-	54,908
Library books and media	126,888	1,195	(598)	127,485
Right to use leased building	41,492	24,579	(7,101)	58,970
Right to use leased equipment	4,647	2,137	-	6,784
Subscription based software	56,271	12,664	-	68,935
Total capital assets, being depreciated/amortized	4,320,151	273,986	(23,945)	4,570,192
Less accumulated depreciation/amortization for				
Buildings	(1,341,912)	(88,870)	-	(1,430,782)
Land improvements	(135,170)	(5,392)	-	(140,562)
Machinery and equipment	(341,484)	(29,998)	14,653	(356,829)
Intangibles	(48,853)	(1,775)	-	(50,628)
Library books and media	(122,710)	(1,749)	599	(123,860)
Right to use leased building	(8,592)	(8,536)	5,256	(11,872)
Right to use leased equipment	(1,135)	(1,422)	-	(2,557)
Subscription based software	-	(15,944)	-	(15,944)
Total accumulated depreciation/amortization	(1,999,856)	(153,686)	20,508	(2,133,034)
Total capital assets being depreciated/amortized, net	2,320,295	120,300	(3,437)	2,437,158
Nevada System of Higher Education activity capital assets, net	$ 2,696,179	$ 228,053	$ (110,291)	$ 2,813,941

*The beginning balances of subscription based software have been restated due to the implementation of GASB Statement No. 96.

Capital asset activity of the Colorado River Commission for the year ended June 30, 2023, was as follows (expressed in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Colorado River Commission:				
Capital assets, being depreciated/amortized				
Power transmission system	$ 88,302	$ -	$ -	$ 88,302
Office furniture and fixtures	25	-	-	25
Automobiles and other equipment	667	8	-	675
Right to use leased building	364	-	-	364
Total capital assets, being depreciated/amortized	89,358	8	-	89,366
Less accumulated depreciation/amortization for				
Power transmission system	(47,314)	(1,443)	-	(48,757)
Office furniture and fixtures	(25)	-	-	(25)
Automobiles and other equipment	(488)	(624)	-	(1,112)
Right to use leased building	(121)	(243)	-	(364)
Total accumulated depreciation/amortization	(47,948)	(2,310)	-	(50,258)
Colorado River Commission activity capital assets, net	$ 41,410	$ (2,302)	$ -	$ 39,108

Note 8. Finance Agreements and Leases Receivable

A. Finance Agreements Receivable

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

The future minimum payments for finance agreements receivable are as follows (expressed in thousands):

	Governmental Activities		
Year Ending June 30	**Principal**	**Interest**	**Total**
2024	$ 1,335	$ 2,047	$ 3,382
2025	1,400	1,980	3,380
2026	1,470	1,910	3,380
2027	1,545	1,836	3,381
2028	1,610	1,774	3,384
2029-2033	9,155	7,755	16,910
2034-2038	11,560	5,351	16,911
2039-2043	14,645	2,268	16,913
Total finance agreements receivable	$ 42,720	$ 24,921	$ 67,641

B. Leases Receivable

The State leases real estate and equipment to independent third parties. The State has accrued receivables for 24 land leases and 1 building lease as a lessor. At June 30, 2023, the remaining principal and interest receivable for these leases were $5,248,239 and $1,656,324, respectively. Deferred inflows related to these leases were $5,104,570 as of June 30, 2023. Principal and interest revenue recognized on these leases were $353,346 and $160,611, respectively, for the year ended June 30, 2023. The implicit interest rate factored into these leases is 3%, based on the State's incremental borrowing rate. Final receipt is expected in fiscal year 2065.

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

	Governmental Activities		
Year Ending June 30	**Principal**	**Interest**	**Total**
2024	$ 364	$ 150	$ 514
2025	246	141	387
2026	254	134	388
2027	262	126	388
2028	270	117	387
2029-2033	1,470	462	1,932
2034-2038	1,313	252	1,565
2039-2043	558	100	658
2044-2048	102	68	170
2049-2053	106	53	159
2054-2058	123	36	159
2059-2063	143	16	159
2064-2068	37	1	38
Total leases receivable	$ 5,248	$ 1,656	$ 6,904

C. Component Units

The Nevada System of Higher Education (NSHE) leases real estate and equipment to independent third parties. The income under these lease agreements was approximately $9,142,000 in fiscal year 2023. NSHE had current leases receivable of $7,531,000 and long-term leases receivable of $65,712,000 as of June 30, 2023. Deferred inflows of resources of $90,978,000 are associated with these leases as of June 30, 2023.

NSHE had a total of 21 leases of which call for payments that are partially or completely variable and were not included in lease receivables or deferred inflows of resources. These variable payments were a result of the underlying lease measured not on a fixed rate, but rather variable due to underlying payments derived from a percentage of sales, use of a capital asset, or changes in an index rate. A total of $518,000 was recognized as revenue from these variable payments for the year ended June 30, 2023.

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

Year Ending June 30	**Principal**	**Interest**	**Total**
2024	$ 7,531	$ 1,659	$ 9,190
2025	7,359	1,483	8,842
2026	7,105	1,312	8,417
2027	6,566	1,144	7,710
2028	6,165	976	7,141
2029-2033	24,641	2,634	27,275
2034-2038	2,634	975	3,609
2039-2043	2,899	762	3,661
2044-2048	3,306	523	3,829
2049-2053	3,175	270	3,445
2054-2058	1,862	43	1,905
Total future minimum leases receivable payments	$ 73,243	$ 11,781	$ 85,024

Note 9. Short and Long -Term Obligations

A. Changes in Long-Term Obligations

The following is a summary of changes in long-term obligations of the primary government for the fiscal year ended June 30, 2023 (expressed in thousands):

	Beginning Balance (Restated)*	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	$ 1,094,640	$ 31,300	$ (148,664)	$ 977,276	$ 117,659
Special obligation bonds	764,875	-	(42,110)	722,765	43,995
Subtotal	1,859,515	31,300	(190,774)	1,700,041	161,654
Issuance premiums (discounts)	130,310	1,316	(29,473)	102,153	25,057
Total bonds payable	1,989,825	32,616	(220,247)	1,802,194	186,711
Certificates of participation	66,100	-	(3,295)	62,805	3,465
Certificates of participation-private placement	1,555	-	(388)	1,167	393
Subtotal	67,655	-	(3,683)	63,972	3,858
Issuance premiums (discounts)	(356)	-	(115)	(471)	62
Total certificates of participation	67,299	-	(3,798)	63,501	3,920
Other governmental long-term activities:					
Finance agreements	6,262	-	(2,009)	4,253	2,294
Leases	193,445	38,175	(35,392)	196,228	32,637
Software subscriptions	350,554	7,830	(85,005)	273,379	88,249
Compensated absences obligations	115,359	89,133	(89,518)	114,974	79,848
Pollution remediation obligations	4,921	-	(234)	4,687	980
Total other governmental long-term activities	670,541	135,138	(212,158)	593,521	204,008
Governmental activities long-term obligations	$ 2,727,665	$ 167,754	$ (436,203)	$ 2,459,216	$ 394,639
Business-type activities:					
Bonds payable:					
General obligation bonds	$ 137,975	$ 16,230	$ (23,286)	$ 130,919	$ 23,396
Special obligation bonds	258,789	173,130	(40,238)	391,681	7,403
Subtotal	396,764	189,360	(63,524)	522,600	30,799
Issuance premiums (discounts)	13,764	2,427	(1,835)	14,356	1,336
Total bonds payable	410,528	191,787	(65,359)	536,956	32,135
Leases	2,233	899	(1,654)	1,478	515
Compensated absences obligations	2,193	1,511	(1,622)	2,082	1,374
Tuition benefits payable	205,181	17,650	(43,195)	179,636	16,956
Business-type activities long-term obligations	$ 620,135	$ 211,847	$ (111,830)	$ 720,152	$ 50,980

*The beginning balances of software subscriptions and business-type activities special obligation bonds have been restated due to the implementation of GASB Statement No. 96. and GASB Statement No. 91, respectively (See Note 19)

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

B. Bonds Payable

The State issues general obligation bonds for the acquisition, construction and improvement of major capital facilities; buying local governments' bonds in the municipal bond bank fund; loans to municipalities for water projects; protection of natural resources; cultural affairs projects; the construction, reconstruction, improvement and maintenance of highways; and for refunding purposes. General obligation bonds are direct obligations and pledge the full faith and credit of the State.

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

General obligation bonds and special obligation bonds of the primary government outstanding at June 30, 2023 are comprised of the following (expressed in thousands):

	Interest Rates	Original Amount	Principal Outstanding
Governmental activities:			
General obligation bonds:			
Subject to Constitutional Debt Limitation	2.0-5.0%	$ 1,290,290	$ 850,800
Exempt from Constitutional Debt Limitation	2.0-6.0%	222,906	126,476
Special obligation bonds:			
Exempt from Constitutional Debt Limitation-Highway Improvement Revenue Bonds	1.75-5.0%	946,915	722,765
Subtotal		2,460,111	1,700,041
Issuance premiums (discounts)		645,756	102,153
Governmental activities bonds payable		3,105,867	1,802,194
Business-type activities:			
General obligation bonds:			
Exempt from Constitutional Debt Limitation	2.0-5.5%	104,537	70,179
Subject to Constitutional Debt Limitation	2.4-3.2%	75,000	60,740
Special obligation bonds:			
Housing Bonds	*.20-5.75%	464,959	391,681
Subtotal		644,496	522,600
Issuance premiums (discounts)		48,616	14,356
Business-type activities bonds payable		693,112	536,956
Total bonds payable		$ 3,798,979	$ 2,339,150

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

Debt service requirements (principal and interest) for all long-term bonds and notes outstanding at June 30, 2023, of the primary government are summarized in the table following (expressed in thousands):

	Governmental Activities				Business-Type Activities			
Year Ending	General Obligation		Special Obligation		General Obligation		Special Obligation	
June 30	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 117,659	$ 39,973	$ 43,995	$ 29,317	$ 23,396	$ 4,723	$ 7,403	$ 14,751
2025	116,867	34,114	46,080	27,078	23,303	3,916	6,415	15,318
2026	115,922	28,031	48,285	24,719	23,193	3,101	6,700	15,120
2027	120,410	22,264	50,605	22,352	23,580	2,267	7,000	14,909
2028	51,038	17,646	52,840	19,870	7,687	1,395	7,320	14,680
2029-2033	244,145	56,880	272,975	62,223	22,840	3,229	42,580	68,840
2034-2038	170,365	18,643	180,800	13,523	6,920	300	60,730	66,846
2039-2043	40,870	1,698	27,185	830	-	-	62,710	56,574
2044-2048	-	-	-	-	-	-	106,353	44,575
2049-2053	-	-	-	-	-	-	77,860	11,679
2054-2058	-	-	-	-	-	-	6,610	180
Total	$ 977,276	$ 219,249	$ 722,765	$ 199,912	$ 130,919	$ 18,931	$ 391,681	$ 323,472

C. Constitutional Debt Limitations

Section 3, Article 9, of the State Constitution (as amended) limits the aggregate principal amount of the State's public debt to two percent (2%) of the assessed valuation of the State. Exempt from this limitation are debts authorized by the Legislature that are incurred for the protection and preservation of, or for obtaining the benefits of, any property or natural resources within the State. At June 30, 2023, the debt limitation and its unused portion are computed as follows (expressed in thousands):

Debt limitation (2% of total assessed valuation)	$ 3,845,749
Less: Bonds and leases payable as of June 30, 2023, subject to limitation	(911,540)
Remaining debt capacity	$ 2,934,209

D. Nevada Municipal Bond Bank

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

were funded through the Municipal Bond Bank as of June 30, 2023, and total outstanding loans to local governments amounted to $40,300,000.

E. Refunded Debt and Redemptions

During the fiscal year 2023, the State of Nevada did not issue any refunding bonds.

F. Finance Agreements

The State has entered into various agreements for the purchase of vehicles and improvement of buildings. Assets of the primary government acquired under such agreements at June 30, 2023 include vehicles and building improvements of $32,159,486 with accumulated depreciation of $17,282,067.

For all finance agreements of the primary government, the gross minimum payments and the present value of the net minimum payments as of June 30, 2023 follow (expressed in thousands):

Year Ending June 30	Governmental Activities
2024	$ 2,443
2025	1,813
2026	195
Total minimum payments	4,451
Less: amount representing interest	(198)
Obligations under finance agreements	$ 4,253

G. Lease Liabilities

Lease liabilities represent the State's obligation to make lease payments arising from the leasing of buildings and equipment. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments are discounted based on a borrowing rate determined by the State.

The State has entered into lease agreements for buildings and equipment. The State is required to make principal and interest payments through June 30, 2063. The lease liability was valued using a discount rate of 3%, based on the State's incremental borrowing rate at the inception of the leases. The total amount of right to use leased assets, and the related accumulated amortization on right to use leased assets was $258,340,000 and $68,013,000, respectively, as of June 30, 2023.

Remaining principal and interest payments on leases are as follows (expressed in thousands):

	Governmental Activities			Business-Type Activities		
Year Ending June 30	Principal	Interest	Total	Principal	Interest	Total
2024	$ 32,637	$ 5,330	$ 37,967	$ 515	$ 34	$ 549
2025	27,561	4,442	32,003	415	22	437
2026	22,327	3,704	26,031	301	10	311
2027	19,542	3,076	22,618	197	4	201
2028	16,723	2,557	19,280	50	-	50
2029-2033	41,653	7,894	49,547	-	-	-
2034-2038	17,182	3,707	20,889	-	-	-
2039-2043	2,857	2,574	5,431	-	-	-
2044-2048	3,264	2,111	5,375	-	-	-
2049-2053	3,734	1,591	5,325	-	-	-
2054-2058	4,337	987	5,324	-	-	-
2059-2063	4,411	292	4,703	-	-	-
Total lease obligations	$ 196,228	$ 38,265	$ 234,493	$ 1,478	$ 70	$ 1,548

H. Software Subscriptions Liabilities

Subscription-based information technology arrangements (SBITAs) represent the State's obligation to make payments arising from software that is leased. Software subscription liabilities are recognized at the agreement commencement date based on the present value of future lease payments expected to be made during the contract term. The present value of SBITAs are discounted based on a borrowing rate determined by the State.

The State has entered into subscription-based software arrangements. The State is required to make principal and interest payments through June 30, 2034. The subscription liability was valued using a discount rate of 3%, based on the State's incremental borrowing rate at the inception of the software subscriptions. The total amount of right to use software, and the related accumulated amortization on right to use software, was $358,383,555 and $82,900,869, respectively, as of June 30, 2023.

Remaining principal and interest payments on software subscriptions are as follows (expressed in thousands):

	Governmental Activities		
Year Ending June 30	Principal	Interest	Total
2024	$ 88,249	$ 6,710	$ 94,959
2025	91,017	4,068	95,085
2026	80,497	1,581	82,078
2027	2,806	342	3,148
2028	1,893	274	2,167
2029-2033	7,674	615	8,289
2034-2038	1,243	-	1,243
Total software subscription obligations	$ 273,379	$ 13,590	$ 286,969

I. Certificates of Participation

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

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

In fiscal year 2017, the NRPC issued $3,730,000 of Lease Revenue Refunding Certificates of Participation Series 2016A at 2.22% interest to refund the outstanding balances of Lease Revenue Certificate of Participation Series 2006 which were to finance the design and construction of a warehouse addition to the Legislative Counsel Bureau's existing State Printing Office building in Carson City and resurfacing of the exterior of the existing building, together with related improvements on the premises. These Certificates of Participation are Privately Placed.

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

The following schedule presents future certificates of participation payments as of June 30, 2023 (expressed in thousands):

Year Ending June 30	Certificates of Participation		Certificates of Participation-Private Placements	
	Principal	Interest	Principal	Interest
2024	$ 3,465	$ 2,948	$ 393	$ 26
2025	3,640	2,775	402	17
2026	3,815	2,593	372	8
2027	4,010	2,402	-	-
2028	4,170	2,242	-	-
2029-2033	17,500	8,497	-	-
2034-2038	11,560	5,351	-	-
2039-2043	14,645	2,268	-	-
Total	$ 62,805	$ 29,076	$ 1,167	$ 51

J. Tuition Benefits Payable

The Higher Education Tuition Trust Fund, an enterprise fund, reports benefits payable as shown in Section A based upon the actuarial present value (APV) of the future tuition obligations and administrative expenses that will be paid in future years.

The present value calculation includes the effects of projected tuition and fee increases and termination of contracts as follows (expressed in thousands):

APV of the future tuition obligation	$	179,636
Net position available		420,409
Net position as a percentage of tuition benefits obligation		234.03 %

The actuarial valuation used an investment yield assumption of 5.25% per year and tuition growth assumptions as follows:

	Universities	Community Colleges
2024-25	1.90%	1.90%
2025-26	2.70%	2.70%
2026-27	5.20%	5.20%
2027-28 and later	4.00%	4.00%

K. Arbitrage Rebate Requirement

The Tax Reform Act of 1986 imposes a rebate requirement with respect to some bonds issued by the State. Under this requirement, an amount equal to the sum of (a) the excess of the aggregate amount earned on all investments (other than certain specified exceptions) over the amount that would have been earned if all investments were invested at a rate equal to the yield on the bonds, and (b) any income earned on the excess described in (a) must be rebated to the United States Treasury, in order for the interest on the bonds to be excluded from gross income for federal income tax purposes. In accordance with the Internal Revenue Service Regulations, arbitrage rebate liability calculated as of June 30, 2023 is $0.

L. Conduit Debt Obligations

The State has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of commercial facilities deemed to be in the public interest. During the 2013 session, the Nevada Legislature enacted the Charter School Financing Law, which authorizes the issuance of Charter School Bonds and other obligations to finance the acquisition, construction, improvement, maintenance or furnishing of land, buildings and facilities for Charter Schools in the State of Nevada. In addition, beginning with fiscal year 2023, Nevada Housing Division's multi-family bond programs are disclosed as conduit debts due to the implementation of GASB Statememnt No. 91. These bonds provide affordable housing opportunities through issuing tax-exempt revenue bonds that provide capital financing to private sector developers for the acquisition, construction, preservation and rehabilitation of low-income senior and multi-family projects throughout State.

The above three types of bonds are secured by the properties financed and are payable solely from payments received on the underlying mortgage loans. The State is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds

are not reported as liabilities in the accompanying financial statements. As of June 30, 2023 there are three series of Industrial Revenue Bonds, five series of Charter School Bonds and sixty-one series of multi-family Housing Bonds outstanding, with an aggregate principal amount payable of $1,194,415,926.

M. Pledged Revenue

Pledged motor vehicle and special fuel tax - The State has pledged a portion of future motor vehicle fuel and special fuel tax revenues as well as federal aid for eligible projects to repay the Highway Improvement Revenue Bonds that were issued for highway construction projects and property acquisition purposes. As of June 30, 2023, the outstanding balance of Highway Improvement Revenue and Refunding bonds is $722,765,000. The total of principal and interest remaining on the bonds is $922,678,122 payable through December 2041. Upon completion of eligible projects, federal aid of $636,193,080 is expected to be received in fiscal year 2024. For the current year, principal and interest paid was $73,502,906 and total motor vehicle fuel and special fuel tax revenues were $342,232,369.

Pledged future lease rental payments – With respect to each series of Lease Revenue Certificates of Participation, the NRPC, a blended component unit, has pledged its rights, title and interest in the applicable Ground Lease and Lease Purchase Agreement to the Trustee (including the right to receive payments of base rent and other payments). As of June 30, 2023, the outstanding balance of Lease Revenue Certificates of Participation is $63,972,000. The total of principal and interest remaining on the certificates is $93,099,780 payable through June 2043. In fiscal year 2023, principal and interest of $6,830,659 was paid. Building rent of $7,000,000 is expected to be collected in fiscal year 2024, which will be used to pay the fiscal year 2024 debt service principal and interest of $6,832,295.

Pledged Nevada Housing Division program funds – The single-family bonds are payable from, and secured by, a pledge of the proceeds derived from the sale of bonds; the rights and interest of the Housing Division in all mortgage loans purchased under the various bond certificates; revenues which primarily include mortgage repayments and the net income, if any, derived as a result of foreclosure or other action taken in the event of a default on such a mortgage loan; curtailments, consisting generally of all amounts representing monthly principal payments with respect to mortgage loans which are received in advance of the scheduled amortization thereof; and all earnings realized by the investment of monies in all funds and accounts as well as all funds and accounts created by the various bond certificates. As of June 30, 2023, the outstanding balance of single-family bonds is $391,681,074. The total of principal and interest remaining on the bonds is $715,152,249 payable through November 2058. In fiscal year 2023, principal and interest of $49,675,451 was paid.

N. Pollution Remediation Obligation

Currently there are eight sites in Nevada in various stages of pollution cleanup associated with contaminated soil and groundwater. The pollution remediation liabilities associated with three of these sites were measured using the expected cash flow technique. Liability estimates are subject to change due to price increases or reductions, technology, or changes in applicable laws or regulations governing the remediation efforts. The State does not anticipate recovering reimbursements from the parties who caused the pollution.

The remaining five sites were identified by Nevada Department of Correction for various gun firing ranges for lead pollution.

As of June 30, 2023 the total pollution remediation obligation is $4,687,000.

O. Component Unit Obligations

Nevada System of Higher Education (NSHE) – Bonds, notes, finance agreements, leases, software subscriptions and compensated absences payable by NSHE at June 30, 2023 and the changes for the year then ended, consist of the following (expressed in thousands):

	Beginning Balance (Restated)*	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable	$ 654,059	$ 77,285	$ (113,379)	$ 617,965	$ 28,530
Premiums (discounts)	41,134	9,933	(12,061)	39,006	3,326
Total bonds payable	695,193	87,218	(125,440)	656,971	31,856
Notes payable	18,330	-	(11,281)	7,049	3,176
Finance agreements	46,514	123	(3,168)	43,469	1,797
Leases	36,977	26,959	(10,940)	52,996	8,588
Software subscriptions	53,805	12,637	(18,382)	48,060	14,207
Compensated absences liabilities	64,616	42,837	(43,217)	64,236	41,981
Total	$ 915,435	$ 169,774	$ (212,428)	872,781	101,605
Discretely presented component units of the NSHE:					
Leases				396	81
Total				$ 873,177	$ 101,686

*The beginning balance of software subscriptions has been restated due to the implementation of GASB Statement No. 96. (See Note 19)

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

The following table presents annual principal and interest payments for bonds, notes and finance agreements payable outstanding by NSHE at June 30, 2023 (expressed in thousands):

Year Ending June 30	Principal	Interest
2024	$ 33,503	$ 25,836
2025	31,443	24,840
2026	31,993	23,326
2027	28,377	21,954
2028	28,532	20,650
2029-2033	157,735	82,825
2034-2038	147,550	50,751
2039-2043	106,790	27,574
2044-2048	83,935	8,935
2049-2053	18,625	700
	668,483	287,391
Premiums	39,006	-
Total	$ 707,489	$ 287,391

Remaining principal and interest payments by NSHE on leases are as follows (expressed in thousands):

Year Ending June 30	Principal	Interest	Total
2024	$ 8,588	$ 1,118	$ 9,706
2025	8,328	952	9,280
2026	7,726	784	8,510
2027	7,479	608	8,087
2028	5,612	456	6,068
2029-2033	12,064	1,203	13,267
2034-2038	3,037	187	3,224
2039-2043	162	15	177
Total	$ 52,996	$ 5,323	$ 58,319

Remaining principal and interest payments by NSHE on software subscriptions are as follows (expressed in thousands):

Year Ending June 30	Principal	Interest	Total
2024	$ 14,207	$ 1,048	$ 15,255
2025	11,537	811	12,348
2026	8,731	494	9,225
2027	7,978	285	8,263
2028	5,607	106	5,713
Total	$ 48,060	$ 2,744	$ 50,804

Colorado River Commission (CRC) – Bonds, leases and compensated absences payable by CRC at June 30, 2023, and the changes for the year then ended, consist of the following (expressed in thousands):

	Beginning Balance (Restated)*	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
General obligation bonds	$ 25,215	$ -	$ (800)	$ 24,415	$ 815
Issuance premiums (discounts)	(126)	-	6	(120)	-
Total bonds payable	25,089	-	(794)	24,295	815
Leases	246	-	(246)	-	-
Compensated absences obligations	585	-	(28)	557	312
Total	$ 25,920	$ -	$ (1,068)	$ 24,852	$ 1,127

The future lease obligation pursuant to the enacted budget which begins July 1, 2023 is $247,280.

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

Year Ending June 30	Principal	Interest
2024	$ 815	$ 971
2025	835	945
2026	865	916
2027	900	886
2028	925	854
2029-2033	5,190	3,703
2034-2038	6,355	2,510
2039-2043	6,960	1,098
2044-2048	1,570	33,363
Total	24,415	45,246

Note 10. Pensions

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

The State's defined benefit pension plans, the Public Employees' Retirement System of Nevada, the Legislators' Retirement System of Nevada and the Judicial Retirement System of Nevada, are described in detail below. The aggregate pension related amounts for the primary government consist of a net pension liability of $2,853,930,119, deferred outflows of resources of $985,775,517, deferred inflows of resources of $133,658,935, pension expenditures of $245,914,052 and pension expense of $11,876,766. Pension expenditures and expense total $257,790,818. The State's defined benefit pension plans are described in detail below.

The aggregate pension related amounts for discretely presented component units consist of a net pension liability of $508,559,046, deferred outflows of resources of $268,739,716, deferred inflows of resources of $119,532,732 and pension expense of $55,065,203.

A. Public Employees' Retirement System of Nevada

Plan Description – The Public Employees' Retirement System (PERS, "the System") was established in 1947 by the Nevada Legislature and is governed by the Public Employees' Retirement Board whose seven members are appointed by the governor. PERS administers a cost-sharing multiple-employer defined benefit pension plan that covers qualified State employees and employees of participating local government entities in the State. Any public employer in the State may elect to have its regular and police/fire employees covered by PERS. The cost to administer the plan is financed through the contributions and

investment earnings of the plan. PERS issues a publicly available financial report that includes financial statements and the required supplementary information for the System. That report may be obtained on the PERS website at www.nvpers.org.

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

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

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

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

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

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

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

rates are increased/decreased pursuant to NRS 286.421 and 286.450.

Required contribution rates for employers and for active plan members, as a percentage of covered payroll, for the fiscal year ended June 30, 2023, were as follows:

	Statutory Rate	
	Employer	Employees
Regular employees:		
Employer-pay plan	29.75 %	- %
Employee/employer plan (matching rate)	15.50 %	15.50 %
Police and Fire employees:		
Employer-pay plan	44.00 %	-
Employee/employer plan (matching rate)	22.75 %	22.75 %

The primary government contributions recognized as part of pension expense for the current fiscal year ended June 30, 2023, were $173,526,762 and discretely presented component unit contributions totaled $32,940,627.

Pension Liabilities, Pension Expenditure/Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Primary Government - At June 30, 2023, the State reported a liability of $2,832,768,205, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The State's proportion of the net pension liability was based on the State's share of contributions in PERS pension plan relative to the total contributions of all participating PERS employers and members. At June 30, 2022, the State's proportion was 15.69%, a decrease of 1.01% from its proportion measured at June 30, 2021.

For the year ended June 30, 2023, the State recognized pension expenses of $11,876,766 and pension expenditures of $240,590,556. At June 30, 2023, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 366,797	$ (2,024)
Changes of assumption	363,889	-
Net difference between projected and actual earnings on pension plan investments	34,562	-
Changes in proportionate share of contributions	28,234	(130,550)
State contributions subsequent to the measurement date	174,120	-
Total	$ 967,602	$ (132,574)

Deferred outflows of resources of $174,119,817 for contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

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

Year Ended June 30:	
2024	$ 96,938
2025	91,746
2026	77,394
2027	358,685
2028	36,145

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Nevada System of Higher Education (NSHE) - At June 30, 2023, the NSHE reported a liability of $501,370,000, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The NSHE's proportion of the net pension liability was based on the NSHE's share of contributions in PERS pension plan relative to the total contributions of all participating PERS employers and members. At June 30, 2022, the NSHE's proportion was 2.78%, a decrease of 0.21% from its proportion measured at June 30, 2021.

For the year ended June 30, 2023, the NSHE recognized pension expense of $54,389,000. At June 30, 2023, the NSHE reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 64,919	$ (358)
Changes of assumption	64,404	-
Net difference between projected and actual earnings on pension plan investments	6,117	-
Changes in proportionate share of contributions	98,375	(118,847)
NSHE contributions subsequent to the measurement date	32,454	-
Total	$ 266,269	$ (119,205)

Deferred outflows of resources of $32,454,000 for contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

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

Year Ended June 30:	
2024	$ 17,581
2025	16,686
2026	14,897
2027	57,642
2028	7,804

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Colorado River Commission (CRC) - At June 30, 2023, the CRC reported a liability of $7,189,046, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The CRC's proportion of the net pension liability was based on the CRC's share of contributions in PERS pension plan relative to the total contributions of all participating PERS employers. At June 30, 2022, the CRC's proportion was 0.04%, no change from its proportion measured at June 30, 2021.

For the year ended June 30, 2023, the CRC recognized pension expense of $676,203. At June 30, 2023, the CRC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 931	$ (5)
Changes of assumption	923	-
Net difference between projected and actual earnings on pension plan investments	88	-
Changes in proportionate share of contributions	61	(323)
CRC contributions subsequent to the measurement date	468	-
Total	$ 2,471	$ (328)

Deferred outflows of resources of $468,000 for contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

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

Year Ended June 30:	
2024	$ 246
2025	232
2026	197
2027	909
2028	91

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

Inflation rate:	2.50%
Payroll growth:	3.50%, including inflation
Investment rate of return:	7.25%
Productivity pay increase:	0.50%
Projected salary increases:	Regular: 4.20% to 9.10%, depending on service
	Police/Fire: 4.60% to 14.50%, depending on service
	Rates include inflation and productivity increases
Consumer price index:	2.50%
Other assumptions:	Same as those used in the June 30, 2021, funding actuarial valuation

Mortality rates were based on the Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 30% for males and 15% for females, projected generationally with the two-dimensional monthly improvement scale MP-2020. For ages 40 through 50, mortality rates are based on the smoothing of the difference between the rates at age 40 from the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables and the rates at age 50 from the Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Tables. The mortality rates before age 40 were developed using the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables rates. Mortality rates for disabled members were based on the Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 20% for males and 15% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020. Mortality rates for pre-retirement members were based on the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females) projected generationally with the two-dimensional mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2022, valuation were based on an experience study for the period from July 1, 2016, through June 30, 2020.

Changes in Actuarial Assumptions - There were no significant changes in assumptions between the valuation performed June 30, 2021 to June 30, 2022.

Investment Policy - The PERS Board evaluates and establishes the investment portfolio target asset allocations and the expected real rates of return (expected returns, net of investment expenses and inflation) for each asset class. The Board reviews these asset allocations and capital market expectations annually. The System's target asset allocations and current long-term geometric expected real rates of return for each asset class included in the fund's investment portfolio as of June 30, 2022, are included in the following table:

Asset Class	Target Allocation	Long-term Geometric Expected Real Rate of Return
U.S. stocks	42%	6.65%
International stocks	18%	7.18%
U.S. bonds	28%	0.91%
Private markets	12%	8.83%

Discount Rate – The discount rate used to measure the total pension liability was 7.25% as of June 30, 2022, which was the same discount rate used for the year ended June 30, 2021. The projection of cash flows used to determine the discount rate assumed plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current

funding policy and cost-sharing mechanism between employers and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except that projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2022.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the proportionate share of the net pension liability at June 30, 2022, calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate (expressed in thousands):

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Primary government - net pension liability	$ 4,349,226	$ 2,832,768	$ 1,581,463
Nevada System of Higher Education - net pension liability	769,770	501,370	279,903
Colorado River Commission - net pension liability	11,025	7,189	4,009

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

Payables to the Pension Plan – At June 30, 2023, the primary government reported payables to the defined benefit pension plan of $17,635,450 for legally required employer contributions, and $8,608,748 for legally required employee contributions withheld from employee wages, not yet remitted to PERS.

B. Legislators' Retirement System of Nevada

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

At June 30, 2022, the LRS pension plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	69
Inactive vested members	10
Inactive non-vested members	39
Active members	25
Total	143

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

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

Members are eligible for post-retirement benefit increases based on their effective date of membership. For members with an effective date of membership before January 1, 2010, the lesser of: (a) 2% per year following the third anniversary of the commencement of benefits, 3% per year following the sixth anniversary, 3.5% per year following the ninth anniversary, 4% per year following the twelfth anniversary and 5% per year following the fourteenth anniversary, or (b) the average percentage

increase in the Consumer Price Index (or other Board approved index) for the three preceding years. In any event, a member's benefit must be increased by the percentages in (a) if it has not been increased at a rate greater than or equal to the average of the Consumer Price Index (CPI) (All items) (or other Board approved index) for the period between retirement and the date of increase. For members with an effective date of membership on or after January 1, 2010, and prior to July 1, 2015, same as above, except the increases in (a) above do not exceed 4% per year. For members with an effective date of membership on or after July 1, 2015, 2% per year following the third through fifth anniversaries of the commencement of benefits; 2.5% per year following the sixth through eighth anniversaries. On succeeding anniversaries, the annual increase shall be the lesser of 3% or the CPI for the preceding calendar year. For future retirees, those hired prior to 2010 are assumed to reach the cap after 14 years of retirement. Those hired in between 2010 and 2015 are also assumed to reach the cap after 14 years of retirement. Those hired after 2015 will never receive an annual increase that exceeds 2.5%. Underlying all of these assumptions is that CPI will grow over time at a rate of 2.5% per year.

Member and Employer Contributions - The employee contribution of 15% of compensation is paid by the employee only when the Legislature is in session, as required by statute. The Legislature holds sessions every two years. Prior to 1985, the employee contributions were matched by the employer. The 1985 Legislators' Retirement Act includes NRS 218C.390(2) which states, "The Director of the Legislative Counsel Bureau shall pay to the Board from the Legislative Fund an amount as the contribution of the State of Nevada as employer which is actuarially determined to be sufficient to provide the System with enough money to pay all benefits for which the System will be liable." The Legislature appropriated $181,158 for fiscal years 2022 and 2023, which is the required State contribution as determined by the actuary. This amount was paid by the State of Nevada to the Legislative fund during fiscal 2022, of which $90,579 (half) was recognized as employer contributions in the fiscal year 2022, and the other half has been recognized as employer contributions in fiscal year 2023.

State contributions recognized as part of pension expense for the fiscal year ended June 30, 2023, were $88,355.

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

Pension Liabilities/(Asset), Pension Expenditure, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2023, the State reported a net pension liability of $247,810. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

For the year ended June 30, 2023, the State recognized pension expense of $123,012. At June 30, 2023, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 190	$ -
State contributions subsequent to the measurement date	90	-
Total	$ 280	$ -

Deferred outflows of resources of $90,579 for contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the year ended June 30, 2024.

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

Year Ended June 30	
2024	$ 6
2025	6
2026	(2)
2027	180

The following table presents the changes in the net pension liability/(asset) for LRS for the year ended June 30, 2022 (expressed in thousands):

	2022
Total pension liability	
Service cost	$ 32
Interest	347
Difference between expected and actual experience	147
Benefit payments, including refunds	(406)
Net change in total pension liability	120
Total pension liability - beginning	4,951
Total pension liability - ending (a)	$ 5,071
Plan fiduciary net position	
Contributions - employer	$ 83
Contributions - plan member	20
Net investment income	(504)
Benefit payments, including refunds	(406)
Net change in plan fiduciary net position	(807)
Plan fiduciary net position - beginning	5,630
Plan fiduciary net position - ending (b)	$ 4,823
Net pension liability/(asset) - beginning	$ (679)
Net pension liability/(asset) - ending (a) - (b)	$ 248
Plan fiduciary net position as a percentage of total pension liability	95%
Covered payroll	N/A
Net pension liability as a percentage of covered payroll	N/A

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

Inflation rate:	2.50%
Investment rate of return, net of pension plan investment expense, including inflation:	7.25%
Projected salary increases:	2.50%
Consumer price index:	2.50%
Other assumptions:	Same as those used in the June 30, 2022, funding actuarial valuation

Mortality rates were based on the Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2020. For ages 40 through 50, mortality rates are based on the smoothing of the difference between the rates at age 40 from the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables and the rates at age 50 from the Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Tables. The mortality rates before age 40 were developed using the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables rates. No pre-retirement mortality is assumed.

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

Investment Policy – The Retirement Board evaluates and establishes the investment portfolio target asset allocations and the expected real rates of return (expected returns, net of investment expenses and inflation) for each asset class. The Board reviews these asset allocations and capital market expectations annually. The System's target asset allocations and current long-term expected real rates of return for each asset class included in the fund's investment portfolio as of June 30, 2022, are included in the following table.

Asset Class	Target Allocation	Long-term Geometric Expected Real Rate of Return
U.S. stocks	50%	6.65%
International stocks	22%	7.18%
U.S. bonds	28%	0.91%

Discount Rate – The discount rate used to measure the total pension liability was 7.25% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Asset to Changes in the Discount Rate – The following presents the net pension liability calculated using the discount rate of 7.25%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate (expressed in thousands):

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Net pension liability/(asset)	$ 706	$ 248	$ (143)

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

Payables to the Pension Plan – At June 30, 2023, the State had no payables to the defined benefit pension plan for legally required employer contributions.

C. Judicial Retirement System of Nevada

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

At June 30, 2022, the JRS pension plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	93
Inactive vested members	6
Active members	111
Total	210

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

Option 1 - 2003 Benefit Plan: Benefits, as required by statute, are computed at 3.4091% per year of accredited service at the time of retirement times the member's highest average compensation in any 36 consecutive months, to a maximum of 75%. Benefit payments to which participants may be entitled under the plan include pension benefits, disability benefits and survivor benefits.

Option 2 – Previous Benefit Plan: Retiring members who were serving as a Supreme Court justice or district judge prior to November 5, 2002 may select benefit payments computed at 4.1666% for each year of service, up to a total maximum of 22 years, times the member's compensation for their last year of service, for a maximum of 75%.

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

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

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

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

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

JRS' basic funding policy provides for contributions by the participating employers based on an actuarial valuation prepared per Nevada Revised Statute (NRS 1A.312(1)). The amount of the annual contribution required to fund the System is comprised of a normal cost payment and a payment on the unfounded Actuarial Accrued Liability (UAAL). Effective January 1, 2009, UAAL is amortized over a year-by-year closed amortization period as a level percent of pay (3% payroll growth assumed) where each amortization period will be set at 30 years for State judges (Supreme Court justices and district judges) and 20 years for each non-state agency. Any increases or decreases in UAAL that arise in future years will be amortized over separate 30-year periods for State judges and 20-year periods for non-state judges. The actuarial funding method used is the Entry Age Normal Cost Method.

The State's annual actuarially determined contribution to fund the System at June 30, 2023, was $5,520,150 and the actual contribution made was $4,511,723.

Pension Liability/(Asset), Pension Expenditure, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2023, the State reported a net pension liability of $20,914,104 for the JRS pension plan. The net pension asset was measured as of June 30, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The State's net pension asset was based on an individual basis and based on the plan provisions and benefit accrual rates applicable to that individual.

For the year ended June 30, 2023, the State recognized pension expense of $5,262,935. At June 30, 2023, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 618	$ (989)
Change of assumptions	5,589	-
Net difference between projected and actual earnings on pension plan investments	7,168	-
Changes in proportion and differences between State contributions and proportionate share of contributions	6	(96)
State contributions subsequent to the measurement date	4,512	-
Total	$ 17,893	$ (1,085)

Deferred outflows of resources of $4,512,000 for contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the year ended June 30, 2024.

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

Year Ended June 30:	
2024	$ 2,694
2025	3,050
2026	1,209
2027	5,343
2028	-
Thereafter	-

The following table presents the changes in the net pension liability/(asset) for JRS, as a whole, for the year ended June 30, 2022 (expressed in thousands):

	2022
Total pension liability	
Service cost	$ 4,420
Interest	12,982
Differences between expected and actual experience	124
Benefit payments, including refunds	(7,705)
Other	1,689
Net change in total pension liability	11,510
Total pension liability - beginning	177,656
Total pension liability - ending (a)	$ 189,166
Plan fiduciary net position	
Contributions - employer	$ 5,250
Employee purchase of service	354
Net investment income	(17,248)
Benefit payments, including refunds	(7,705)
Administrative expenses	(117)
Other	1,688
Net change in plan fiduciary net position	(17,778)
Plan fiduciary net position - beginning	183,382
Plan fiduciary net position - ending (b)	$ 165,604
Net pension liability/(asset) - beginning	$ (5,726)
Net pension liability/(asset) - ending (a) - (b)	$ 23,562
Plan fiduciary net position as a percentage of total pension liability	88%

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

Inflation rate:	2.50%
Investment rate of return, net of pension plan investment expense, including inflation:	7.25%
Projected salary increases:	2.50% to 6.75%, varying by service
Consumer Price Index:	2.50%
Other assumptions:	Same as those used in the June 30, 2021, funding actuarial valuation

Post-Retirement mortality rates were based on the Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2020. For ages 40 through 50, mortality rates are based on the smoothing of the difference between the rates at age 40 from the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables and the rates at age 50 from the Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Tables. The mortality rates before age 40 were developed using the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables rates. The actuarial assumptions used in the June 30, 2022, valuation were based on the results of the actuarial experience study for the period July 1, 2016, through June 30, 2020.

Investment Policy – The Retirement Board evaluates and establishes the investment portfolio target asset allocations and the expected real rates of return (expected returns, net of investment expenses and inflation) for each asset class. The Board reviews these asset allocations and capital market expectations annually. The System's target asset allocations and current long-term expected real rates of return for each asset class included in the fund's investment portfolio as of June 30, 2022, are included in the following table:

Asset Class	Target Allocation	Long-term Expected Arithmetic Real Rate of Return
U.S. stocks	50%	6.65%
International stocks	22%	7.18%
U.S. bonds	28%	0.91%

Discount Rate – The discount rate used to measure the total pension liability was 7.25% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions will be made monthly at the current contribution rate and the payment to amortize the unfunded actuarial liability is assumed to be paid at the end of the year for State and monthly for non-state agencies. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Asset to Changes in the Discount Rate – The following presents the State's proportionate share of the net pension liability using the discount rate of 7.25%, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate (expressed in thousands):

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Net pension liability/(asset)	$ 41,132	$ 20,914	$ 3,936

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

Payables to the Pension Plan – At June 30, 2023, the State reported payables to the defined benefit pension plan of $272,046 for legally required employer contributions not yet remitted to JRS.

Note 11. Postemployment Benefits Other than Pensions (OPEB)

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

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

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

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

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

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

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

The authority for establishing an assessment to pay for a portion of the cost of premiums or contributions for the program is in statute. According to NRS 287.046 the Office of Finance shall establish an assessment that is to be used to pay for a portion of the cost of premiums or contributions for the Program for persons who were initially hired before January 1, 2012, and have retired with State service. The money assessed must be deposited into the State Retirees' Fund and must be based upon an amount approved by the Legislature each session to pay for a portion of the current and future health and welfare benefits for persons who retired before January 1, 1994, or for persons who retire on or after January 1, 1994, as adjusted by the years of service subsidy rates. The required contribution rate for employers (the retired employees group insurance rate), as a percentage of covered-employee payroll, for the fiscal year ended June 30, 2023 was 2.17%. Contributions recognized as part of OPEB expense for the current fiscal year ended June 30, 2023 were $32,011,665 for the primary government, $16,785,000 for the Nevada System of Higher Education, and $68,708 for the Colorado River Commission.

OPEB Liabilities, OPEB Expenditure/Expense, Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB - Primary Government - At June 30, 2023, the State reported a liability of $841,267,864, for its proportionate share of the collective net OPEB liability. The collective net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The State's proportion of the collective net OPEB liability was based on the State's share of contributions in the OPEB plan relative to the total contributions of all participating OPEB employers and members. At June 30, 2022, the State's proportion was 58.33%, an increase of 0.54% from its proportion measured at June 30, 2021.

For the year ended June 30, 2023, the State recognized OPEB expenditures of $68,052,448 and OPEB expenses of $3,252,330. At June 30, 2023, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (28,013)
Changes of assumptions	30,698	(70,039)
Net differences between projected and actual investment earnings on OPEB plan investments	-	(346)
Contributions subsequent to the measurement date and implicit subsidy paid	32,455	-
Total	$ 63,153	$ (98,398)

Of the total amount reported as deferred outflows of resources related to OPEB, $24,079,371 resulting from State contributions and $8,375,934 resulting from implicit subsidy subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2024.

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

Year Ended June 30:	
2024	$ (19,983)
2025	(21,885)
2026	(25,801)
2027	(31)

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB - Nevada System of Higher Education (NSHE) - At June 30, 2023, the NSHE reported a liability of $584,918,000, for its proportionate share of the collective net OPEB liability. The collective net OPEB liability was measured as of July 1, 2022, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The NSHE's proportion of the collective net OPEB liability was based on the NSHE's share of contributions in the OPEB plan relative to the total contributions of all participating OPEB employers and members. At June 30, 2022, the NSHE's proportion was 40.56%, a decrease of 0.46% from its proportion measured at June 30, 2021.

For the year ended June 30, 2023, the NSHE recognized OPEB expense of $35,847,000. At June 30, 2023, the NSHE reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (19,477)
Changes of assumptions	21,344	(48,697)
Net differences between projected and actual investment earnings on OPEB plan investments	-	(241)
Contributions subsequent to the measurement date	16,785	-
Total	$ 38,129	$ (68,415)

Of the total amount reported as deferred outflows of resources related to OPEB, $16,785,000 resulting from NSHE contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2024.

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

Year Ended June 30:		
2024	$	(13,893)
2025		(15,215)
2026		(17,940)
2027		(23)

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB - Colorado River Commission (CRC) - At June 30, 2023, the CRC reported a liability of $2,402,029, for its proportionate share of the collective net OPEB liability. The collective net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The CRC's proportion of the collective net OPEB liability was based on the CRC's share of contributions in the OPEB plan relative to the total contributions of all participating OPEB employers and members. At June 30, 2022, the CRC's proportion was 0.1660%, a increase of 0.008% from its proportion measured at June 30, 2021.

For the year ended June 30, 2023, the CRC recognized OPEB expense of $142,201. At June 30, 2023, the CRC reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 112	$ (200)
Net differences between projected and actual investment earnings on OPEB plan investments	-	(81)
Contributions subsequent to the measurement date	69	-
Total	$ 181	$ (281)

Of the total amount reported as deferred outflows of resources related to OPEB, $68,708 resulting from CRC contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2024.

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

Year Ended June 30:		
2024	$	(51)
2025		(55)
2026		(63)

Actuarial Assumptions – The total OPEB liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	2.50%
Salary increases:	0.50% productivity pay increase, 3.28% average promotional and merit salary increase
Investment rate of return:	3.54% based on a 20-Year Municipal Bond Index
Healthcare cost trend rates:	4.80% increase effective July 1, 2023, then 7.25% graded down to 0.25% to ultimate 4.50% over 11 years

Healthy mortality rates for public safety officers were based on Pub-2010 Public Retirement Safety Mortality Table weighted by Headcount, projected by MP-2020. Civilian rates were based on Pub-2010 Public Retirement Plans General Mortality Table weighted by Headcount, projected by MP-2020. Disabled public safety officer rates were based on Pub-2010 Public Retirement Safety Disabled Mortality Table weighted by Headcount, projected by MP-2020. Disabled civilian rates were based on Pub-2010 Public Retirement Plans General Disability Mortality Table weighted by Headcount, projected by MP-2020.

The actuarial assumptions used in the June 30, 2022 valuation were based upon certain demographic and other actuarial assumptions as recommended by the actuary Aon, in conjunction with the State and guidance from the GASB statement.

Discount Rate – The discount rate used to measure the total OPEB liability was 3.54%, which is consistent with a 20-Year Municipal Bond Index. The Bond Buyer General Obligation 20-Bond Municipal Bond Index is used for the determination of the discount rate. The assets in the trust as of June 30, 2022 are less than the expected benefit payments in the first year; therefore, the crossover period is assumed to be in the first year, which provides additional support for continuing the discount rate at the 20-Year Municipal Bond Index rate. The previous fiscal year discount rate was 2.16% which is an increase of 1.38%.

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

	1% Decrease in Discount Rate (2.54%)	Discount Rate (3.54%)	1% Increase in Discount Rate (4.54%)
State's proportionate share of the collective net OPEB liability	$ 925,093	$ 841,268	$ 768,496
NSHE's proportionate share of the collective net OPEB liability	643,199	584,918	534,459
CRC's proportionate share of the collective net OPEB liability	2,641	2,402	2,195

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State's proportionate share of the collective net OPEB liability	$ 800,596	$ 841,268	$ 887,792
NSHE's proportionate share of the collective net OPEB liability	556,639	584,918	617,300
CRC's proportionate share of the collective net OPEB liability	2,286	2,402	2,585

OPEB plan Fiduciary Net Position – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued PEBP financial report.

Payables to the OPEB Plan – At June 30, 2023, the primary government and the NSHE reported payables to the defined benefit OPEB plan of $120,939 and $1,539,000, respectively, for statutorily required employer contributions which had been assessed on employee salaries but not yet remitted to the State Retirees' Fund.

Note 12. Risk Management

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

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

	Self-Insurance	Insurance Premiums
Balance June 30, 2021	$ 83,585	$ 69,834
Claims and changes in estimates	304,753	21,161
Claim payments	(308,846)	(14,746)
Balance June 30, 2022	79,492	76,249
Claims and changes in estimates	326,862	22,252
Claim payments	(326,179)	(18,359)
Balance June 30, 2023	$ 80,175	$ 80,142
Due Within One Year	$ 80,175	$ 9,956

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

There was no insurance coverage for excess liability insurance.

There are several pending lawsuits or unresolved disputes involving the State or its representatives at June 30, 2023. The estimated liability for these claims has been factored into the calculation of the reserve for losses and loss adjustment expenses developed.

A. Self-Insurance Fund

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

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

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

B. Insurance Premiums Fund

The Insurance Premiums Fund provides general, civil (tort), and auto liability insurance to State agencies, including the Nevada System of Higher Education (NSHE) and various boards and commissions; workers' compensation insurance for State employees, including NSHE, Public Employees' Retirement System (PERS), and various boards and commissions; and auto physical damage and property insurance for State agencies, excluding NSHE.

For the period beginning January 1, 2001, and for each calendar year thereafter, the Fund purchased a high deductible policy for workers' compensation. Liabilities in the amount of $64,462,758 as of June 30, 2023 were determined using standard actuarial techniques as estimates for the case, reserves, incurred but not reported losses and allocated loss adjustment expenses under the plan as of June 30, 2023.

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

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

At June 30, 2023, incurred but not reported claims liability for general, civil and auto liability insurance is based upon standard actuarial techniques, which take into account financial data, loss experience of other self-insurance programs and the insurance industry, the development of known claims, estimates of the cost of reported claims, incurred but not reported claims, and allocated loss adjustment expenses. The incurred but not reported claims liability for property casualty insurance is based upon the estimated cost to replace damaged property. The liability for estimated losses from reported and unreported claims in excess of the amounts paid for the workers' compensation policies is determined using standard actuarial techniques, which take into account claims history and loss development factors for similar entities. Incurred but not reported claims liabilities are included in the reserve for losses.

The State is contingently liable for the cost of post retirement heart, lung, and cancer disease benefits payable under the Nevada Occupational Disease Act. Any fireman, police officer, or arson investigator that satisfies the two-year employment period under this act is eligible for coverage under Workers' Compensation for heart and lung disease. Any fireman that satisfies the five-year employment period under this act is eligible for coverage under Workers' Compensation for cancer disease. A range of estimated losses from $7,874,100 to $28,465,100 for heart disease, $8,681,880 for lung disease, and $8,883,550 for cancer disease have been determined using standard actuarial techniques. Due to the high degree of uncertainty surrounding this coverage, no accrual for these losses is reflected in the financial statements.

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

At June 30, 2023, total liabilities and deferred inflows of resources exceeded total assets and deferred outflows of resources by $69,733,788. The Fund is liable for approximately $80.1 million as of June 30, 2023, in potential claims settlements, which have yet to be funded through premium contributions. As NRS 331.187 provides that if money in the Fund is insufficient to pay a tort claim, the claim is to be paid from the reserve for statutory contingency account, and, as management assesses premiums to cover current claims payments, management believes that this provides the opportunity for the Fund to satisfy these liabilities.

Note 13. Fund Balances and Net Position

A. Net Position-Restricted by Enabling Legislation

The government-wide statement of net position reports $5,020,168,000 of net position-restricted for the primary government, of which $1,557,439,842 is restricted by enabling legislation.

B. Governmental Fund Balances

Governmental fund balances are classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the State is bound to observe constraints imposed on the use of the resources of the fund. A summary of governmental fund balances at June 30, 2023, is shown below (expressed in thousands):

	Major Governmental Funds			
	General Fund	State Education Fund	Nonmajor Governmental Funds	Total Governmental
Fund balances:				
Nonspendable:				
Long term notes/loans receivable	$ 12,318	$ -	$ -	$ 12,318
Inventory	52,080	-	25,426	77,506
Advances	4,360	-	-	4,360
Prepaid items	223,913	-	1,376	225,289
Permanent fund principal	-	-	487,424	487,424
Restricted for:				
Administration	85	-	-	85
Agriculture	236	-	-	236
Business and industry	22,373	-	6,103	28,476
Capital projects	-	-	60,116	60,116
Conservation and natural resources	52,839	-	17,196	70,035
Corrections	113	-	13,211	13,324
Debt service	-	-	28,654	28,654
Economic development	28,370	-	-	28,370
Education K-12	67	1,132,935	153	1,133,155
Elected officials	8,259	-	-	8,259
Gaming control	2,917	-	-	2,917
Health and human services	2,192	-	38,066	40,258
Motor vehicles	-	-	61,428	61,428
Other purposes	57	-	6,004	6,061
Public safety	2,015	-	36,084	38,099
Social services	-	-	3,534	3,534
Transportation	-	-	119,896	119,896
Veteran's services	1,838	-	-	1,838
Wildlife	15,343	-	-	15,343
Committed to:				
Administration	22,369	-	-	22,369
Agriculture	11,123	-	1,920	13,043
Business and industry	69,978	-	7,505	77,483
Cannabis compliance	1,802	-	-	1,802
Capital projects	-	-	419,807	419,807
Conservation and natural resources	114,039	-	9,148	123,187
Corrections	9,790	-	-	9,790
Debt service	-	-	304,288	304,288
Economic development	14,057	-	23,097	37,154
Education K-12	28,322	-	-	28,322
Elected Officials	1,467,866	-	15,644	1,483,510
Employment and training	3,977	-	-	3,977
Fiscal emergency	1,186,377	-	-	1,186,377
Gaming control	10,399	-	-	10,399
Health and human services	161,640	-	1,054	162,694
Higher education	57,320	-	-	57,320
Judicial	6,449	-	-	6,449
Legislative	631,535	-	-	631,535
Military	1,857	-	-	1,857
Motor vehicles	1,000	-	-	1,000
Other purposes	7,091	-	-	7,091
Public safety	20,169	-	3,123	23,292
Silver state health insurance	11,547	-	-	11,547
Social services	-	-	110,719	110,719
Tobacco settlement program	-	-	137,084	137,084
Taxation	3,251	-	-	3,251
Tourism and cultural affairs	2,285	-	-	2,285
Transportation	-	-	63,526	63,526
Veteran's services	8,667	-	-	8,667
Wildlife	30,834	-	-	30,834
Unassigned:	(1,114,077)	-	-	(1,114,077)
Total fund balances	$ 3,199,042	$ 1,132,935	$ 2,001,586	$ 6,333,563

C. Individual Fund Deficit

Nonmajor Governmental Funds:

CIP Motor Vehicle - The CIP Motor Vehicle accounts for capital improvement projects for the Department Motor Vehicles and Public Safety. The fund recorded a decrease in fund balance of $2,166,347 for the year ended June 30, 2023, resulting in a deficit fund balance of $59,571 at June 30, 2023.

Nonmajor Enterprise Funds:

Nevada Magazine – The Nevada Magazine Fund accounts for the operation of the publication, Nevada Magazine, which is published to promote tourism. The fund recorded a decrease in net position of $222,751 for the year ended June 30, 2023, resulting in a deficit net position of $840,909 at June 30, 2023.

Marlette Lake Water System - The Marlette Lake Water System accounts for the costs of operating the State-owned Marlette Lake Water System. The system services the State Buildings and Grounds Division and portions of Carson City and Storey County. The fund recorded an increase in net position of $592,785 for the year ended June 30, 2023, resulting in a deficit net position of $3,187,164 at June 30, 2023.

Internal Service Funds:

Buildings and Grounds – The Buildings and Grounds Fund accounts for the maintenance, housekeeping and security of most State buildings. The fund recorded a decrease in net position of $3,672,136 for the year ended June 30, 2023, resulting in a deficit net position of $3,858,694 at June 30, 2023.

Insurance Premiums – The Insurance Premiums Fund allocates the cost of fidelity insurance, property insurance and workers' compensation insurance to State agencies. The fund recorded a decrease in net position of $10,882,706 for the year ended June 30, 2023, resulting in a deficit net position of $69,733,788 at June 30, 2023.

Administrative Services – The Administrative Services Fund provides administrative and accounting services to various divisions of the Department of Administration. The fund recorded a decrease in net position of $270,653 for the year ended June 30, 2023, resulting in a deficit net position of $3,430,819 at June 30, 2023.

Personnel – The Personnel Fund accounts for the costs of administering the State personnel system. The fund recorded an increase in net position of $236,915 for the year ended June 30, 2023, resulting in a deficit net position of $3,542,952 at June 30, 2023.

Information Services – The Information Services Fund accounts for designing, programming, and maintaining data processing software and also operating the State's central computer facility, radio communication and telecommunication systems. The fund recorded a decrease in net position of $1,595,459 for the year ended June 30, 2023, resulting in a deficit net position of $11,824,456 at June 30, 2023.

Note 14. Principal Tax Revenues

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

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

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

Modified Business Tax is imposed at different rates for businesses, financial institutions and mining. Businesses other than financial institutions and mining are assessed a tax at a rate of 1.378% per calendar quarter for amounts the wages exceed $50,000. Modified Business Tax is imposed on financial institutions and mining at 1.853% on gross wages paid by the employer during the calendar quarter. There is an allowable deduction from the gross wages for amounts paid by the

employer for qualified health insurance or a qualified health benefit plan.

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

Motor Vehicle Fuel Tax is levied at 24.805 cents per gallon on gasoline and gasohol sales. 17.65 cents of the tax goes to the State Highway Fund, 0.805 cents goes to petroleum discharge cleanup and imported gasoline inspection fees, and the remaining 6.35 cents is County Mandatory Tax. The counties have an option to levy up to an additional 9 cents per gallon.

Cigarette Tax is imposed at a rate of $1.80 for a pack of 20, $2.25 for a pack of 25, tribal stamped packs not taxed. A tax on tobacco products, other than cigarettes, is imposed at a rate of 30% of the wholesale price.

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

Lodging Tax is imposed at a rate of at least 1% of the gross receipts from the rental of transient lodging in a county with a population of less than 700,000. Tax on revenues from the rental of transient lodging is imposed at the rate of 2% of the gross receipts in a county with a population greater than 700,000. In counties with populations greater than 300,000, an additional tax of up to 3% is remitted to the State for distribution to the State Supplemental School Support Account.

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

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

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

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

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

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

Note 15. Works of Art and Historical Treasures

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

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

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

Note 16. Tax Abatements

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

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

- New businesses locating in urban areas require fifty or more full-time employees on the payroll by the eighth calendar quarter following the calendar quarter in which the abatement becomes effective; in rural areas, the requirement is ten or more full-time employees. For an existing business that is expanding, the number of employees on the payroll must increase either by 10% more than the number of employees prior to the abatement becoming effective, or by 25 employees for urban areas (6 for rural areas), whichever is greater.

- New businesses locating in urban areas must make a capital investment of $1 million in eligible equipment within two years; in rural areas, the requirement is $250,000 in eligible equipment. For an existing business that is expanding, the capital investment must equal at least 20% of the value of the tangible property owned by the business.

- The average hourly wage paid to new employees must meet a specified minimum, and the business must provide a health insurance plan for all employees and their dependents by a specified time period.

A company that intends to locate or expand a business in certain areas of Economic Development may apply to GOED for a partial abatement of one or more of the taxes imposed on new or expanded business. Certain areas of Economic Development are defined in NRS 274.310 as a historically underutilized business zone, a redevelopment area created pursuant to Chapter 279

of NRS, an area eligible for a community development block grant pursuant to 24 Code of Federal Regulations (CFR) Part 570, or an enterprise community established pursuant to 24 CFR Part 597. Applicants must agree to continue in operation in the State for at least 5 years, and is effective through June 30, 2032. Additionally, businesses looking to start or expand in certain areas of Economic Development must meet either one of the two following requirements to apply for an abatement:

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

All abatements granted to eligible businesses terminate upon determination that the business has ceased to meet eligibility requirements for the abatement. The business shall refund the abatement amount for each month, or portion thereof, from the last day of the month following the period for which the payment would have been made had the partial abatement not been approved until the date of the payment of the tax. These refund payments are also subject to interest at the rate most recently established pursuant to NRS 99.040.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Real Property Taxes (NRS 701A.110) – Incentives range from 25% to 35% of the portion of taxes imposed pursuant to NRS 361, other than any taxes imposed for public education, for a period of 5 to 10 years, depending on the certification level. The abatement terminates if it is determined that the building or other structure has ceased to meet the equivalent of the Silver Level or higher. This is effective through June 30, 2035.

The State's tax abatement programs as of June 30, 2023, on an accrual basis, are summarized in the following table (expressed in thousands):

	Taxes Abated			
Abatement Program	Modified Business Tax	Property Tax	Gaming Tax	Total
Businesses	$ 1,490	$ 1,057	$ -	$ 2,547
Capital Investment $1B	12,414	-	-	12,414
Renewable Energy	-	1,393	-	1,393
Green Building	-	3,957	-	3,957
Transferable Tax Credits	-	-	5,876	5,876
Total	$ 13,904	$ 6,407	$ 5,876	$ 26,187

Note 17. Commitments and Contingencies

A. Primary Government

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

Several of the actions pending against the State are based upon the State's (or its agents') alleged negligence in which the State must be named as a party defendant. However, there is a statutory limit to the State's liability of $50,000 per cause of action through October 1, 2007, and $75,000 per cause of action through October 1, 2011, $100,000 through June 30, 2020, $150,000 through June 30, 2022, and $200,000 per cause of action thereafter. Such limitation does not apply to federal actions such as

civil rights actions under 42 U.S.C. Section 1983 brought under federal law or to actions in other states. Building and contents are insured on a blanket replacement cost basis for all risk except certain specified exclusions.

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

The State is a defendant on a lawsuit associated with groundwater rights. The State filed a Motion to Dismiss, which was denied, and discovery has now commenced. The State believes that the court will grant judgment in the State's favor. However, there is a remote possibility of settlement losses of up to $30 million. The State is vigorously defending this case. Due to the expectation of a beneficial judgment, the accompanying financial statements do not include a liability for any potential loss.

The State is a defendant on a lawsuit associated with unclaimed property held by the State. The court dismissed the plaintiff's first complaint in July of 2024. The plaintiff has filed a second complaint in which the State has filed a second Motion to Dismiss. The State believes that the court will grant judgment in the State's favor. However, there is a remote possibility of settlement losses of up to $40 million. The State is vigorously defending this case. Due to the expectation of a beneficial judgment, the accompanying financial statements do not include a liability for any potential loss.

In the State of Nevada Unemployment Compensation Fund, due to staffing restrictions and the high volume of claims related to the COVID-19 pandemic, as well as the implementation of additional funding programs available to claimants under the various COVID-19 related relief acts, an unusually high number of claims remain under appeal as of the end of the fiscal year. Furthermore, claims are still being processed for benefits related to the year ended June 30, 2023. In addition to recognizing benefits payable for claims that have been processed, Fund management has estimated an amount for claims related to benefit weeks in 2021, and prior, that have not yet been processed or are still under appeal and accrued a liability (benefits payable) of $1.6 million for those estimated unprocessed claims along with an intergovernmental receivable of $1.0 million for the amount of the unprocessed claims related to the various federal programs.

The State of Nevada Unemployment Compensation Fund management is aware of a significant dollar amount of claims still being held by Bank of America. These funds relate to debit cards which have not been pinned, or activated, by the claimant and debit cards that have been pinned but have been blocked by the bank for potential fraud. The funds relating to debit cards frozen by the bank for potential fraud have been returned to the Fund and are in the Wells Fargo holding account. The total estimated remaining funds for the two types of transactions is approximately $78.9 million. Of that amount, based on the federal percentage of the estimated unprocessed claims, approximately $62.9 million would relate to supplemental federal funding received by the claimants through the various Covid-19 related programs. Fund management continues to negotiate with the bank on how to handle the various transaction types and which amounts should be returned to the Fund. The Department of Employment, Training, and Rehabilitation (DETR) also continues to explore all potential legal remedies. Although it is not possible to predict the outcome of the negotiations, it is possible the resolution could have a material effect on the financial position of the Fund.

Federal Grants - The State receives significant financial assistance from the federal government in the form of grants and entitlements, which are generally conditioned upon compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by federal agencies. Any disallowance as a result of these audits could become a liability of the State. As of June 30, 2023, the State is unable to estimate the amount, if any, of expenditures that may be disallowed, although the State expects such amounts, if any, to be immaterial.

Nonexchange Financial Guarantees – The 1997 Nevada Legislature added NRS 387.513 through 387.528, allowing school districts to enter into guarantee agreements with the State Treasurer whereby the money in the Permanent School Fund may be used to guarantee the debt service payments on certain bonds issued by Nevada school districts. The amount of the guarantee for bonds of each school district outstanding, at any one time, must not exceed $60 million. Total bond guarantees at June 30, 2023, were $124.8 million which includes accrued interest of $1.0 million. The bonds mature at various intervals through fiscal year 2042. In the event any school district was unable to make a required payment, the State Treasurer would withdraw from

the State Permanent School Fund the amount needed to cover the debt service payment. Any amount withdrawn would be deemed a loan to the school district from the State Permanent School Fund, and the State Treasurer would determine the rate of interest on the loan. If the school district is not able to repay the loan in a timely manner, repayment would be made by withholding distributions from the State Education Fund to the school district.

Encumbrances – As of June 30, 2023, encumbered expenditures in governmental funds were as follows (expressed in thousands):

	Amount
General Fund	$ 2,083
Nonmajor governmental funds	3,592
Total	$ 5,675

Construction Commitments – As of June 30, 2023, the Nevada Department of Transportation had total contractual commitments of approximately $808.5 million for construction of various highway projects. Other major non-highway construction commitments for the primary government's budgeted capital projects funds total $156.5 million.

B. Discretely Presented Component Units

Nevada System of Higher Education (NSHE) – As of June 30, 2023, the NSHE is a defendant or co-defendant in legal actions. Based on present knowledge and advice of legal counsel, the NSHE management believes any ultimate liability in these matters, in excess of insurance coverage, will not materially adversely affect the net position, changes in net position or cash flows of the NSHE.

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

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

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

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

The estimated cost to complete property authorized or under construction at June 30, 2023, is $88.4 million. These costs will be financed by State appropriations, private donations, available resources, and/or long-term borrowings.

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

Nevada Capital Investment Corporation (NCIC) - The NCIC currently has capital commitments to the Silver State Opportunity Fund (SSOF) of $50.0 million (the First Tranche) and to Dreamspring of $1.0 million. As of June 30, 2023, the NCIC has fulfilled $48.1 million of its total commitment to SSOF and $1.0 million to Dreamspring. The NCIC has the right, but not the obligation, to increase its capital commitment to SSOF by which would be effective after the end of the First Tranche (or such other date as the NCIC and Manager may agree). If the NCIC elects to make such an additional commitment, both the amount of the NCIC's additional commitment and an additional commitment from the Manager shall be established by agreement between the NCIC and the Manager (the Second Tranche).

Note 18. Subsequent Events

A. Primary Government

Bonds – On November 1, 2023, the State issued $433,405,000 in General Obligation Bonds. The 2023A Bonds were issued to finance the 2021 Capital Improvement Projects, the 2023 Capital Improvement Projects, the 2023 DMV Project, and the 2023 LCB Project.

On November1, 2023, the State issued $13,890,000 in Genral Obligation Bonds. The 2023B Bonds were issued to finance the Tahoe Project and Natural Resources and Open Space, 2023 Projects.

On November 1, 2023, the State issued $29,505,000 in General Obligation Bonds. The 2023C Bonds were issued to finance Open Space, Parks, and Natural Resources, 2023 Projects.

On November 1, 2023, the State issued $5,910,000 in General Obligation Bonds. The 2023D Bonds were issued to finance Safe Drinking Water Revolving Fund Matching Bonds for improvement projects.

On March 13, 2024, the State issued $133,270,000 in Highway Improvement Revenue Bonds. The 2024A Bonds of $88,485,000 were issued to finance State highway construction projects in the State. The 2024B Bonds of $44,785,000 were issued to finance State highway construction projects in Clark County, Nevada.

On November 6, 2024, the State issued $124,010,000 in General Obligation Bonds. The 2024A Bonds were issued to finance 2021 and 2023 Capital Improvement Projects, the 2023 DMV Project, and the 2023 Historic Preservation Project.

On November 6, 2024, the State issued $10,830,000 in General Obligation Bonds. The 2024B Bonds were issued to finance environmental improvement projects for Tahoe Projects.

On November 6, 2024, the State issued $5,385,000 in General Obligation Bonds. The 2024C Bonds were issued to finance the Safe Drinking Water Revolving Fund Matching Bonds for improvement projects.

On November 6, 2024, the State issued $29,290,000 in General Obligation Bonds. The 2024D Bonds were issued to finance the Municipal Bond Bank Refunding Bonds.

On November 7, 2024, the State issued $131,815,000 in Highway Improvement Revenue Bonds. The 2024C Bonds of $82,850,000 were issued to finance State highway construction projects in the State. The 2024D Bonds of $48,965,000 were issued to finance State highway construction projects in Clark County, Nevada.

Certificates of Participation- On March 7, 2024, the State approved the issuance of Series 2024, Certificates of Participation. The Certificates relate to three projects. The first being the Capitol Complex Building 1 Project where these Lease Revenue Refunding Certificates for $8,540,000 will be issued to refund the outstanding balance of the State's Lease Revenue Certificates of Participation Series 2013. The second being the Casa Grande Project where these lease Revenue Refunding Certificates for $8,025,000 will be issued to refund the outstanding balance of the State's Lease Revenue Certificates of Participation Series 2013. The final being the Nevada State University Project where these Lease Revenue Certificates of Participation for $37,160,000 will be issued to refund the outstanding balance of the State's Lease Revenue Certificates of Participation Series 2013. Each series evidences an undivided interest in the right to receive base rent under a separate lease purchase agreement to be paid by the State. The separate lease purchase agreement is with Nevada Real Property Corporation. The Certificates are not general obligation of the State.

Litigation Settlement – On July 5, 2023, the Nevada Attorney General reached a settlement with Walgreen's regarding the company's role in the opioid epidemic. The $285 million settlement will be split between the State and the signatories of the One Nevada Agreement. After litigation costs and fees, the State will retain $98.1 million which will be placed in the Fund for Resilient Nevada, and the signatories of the One Nevada Agreement will receive $116.2 million allocated through the year 2037.

Legislative Counsel Bureau - On June 6, 2023, during the 34th (2023) Special Session, the Nevada Legislature passed Assembly Bill 1 (AB1), which was signed by the Governor of Nevada on June 9, 2023. Section 29 of AB1 directed the State

Board of Finance to issue $100,000,000 of general obligation bonds, the proceeds of which were to be used for capital improvements of the Legislative Counsel Bureau (LCB). On September 13, 2023, the Nevada State Board of Finance approved the issuance of general obligation bonds, Series 2023A, and the bonds were sold on October 25, 2023, with an anticipated closing date of November 1, 2023. Section 31(h) of AB1 transferred supervision and control of four parcels of land and three buildings in Clark County, Nevada to the LCB. These properties were purchased by the State of Nevada on July 14, 2023, and subsequently deeded to the LCB on July 21, 2023.

B. Discretely Presented Component Units

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

Colorado River Commission - In August of 2023, the United States Bureau of Reclamation (Bureau) announced a level 1 water reduction on the Colorado River under current operating guidelines for 2024. The declaration limits the amount of water southern Nevada will be allowed to withdraw from Lake Mead in calendar year 2024. The declaration by the Bureau was an improvement from the Level 2 shortage that required a higher level of reductions for Nevada and Arizona during 2023. To ensure water supplies remain available, the Southern Nevada Water Authority and its member agencies have implemented several initiatives including water conservation programs, investments made for additional water resources, and banking of unused resources.

C. New Accounting Pronouncements

In April of 20022, the GASB issued Statement No. 99, Omnibus 2022. The objective of this Statement is to enhance comparability in account and financial reporting and to improve the consistency of authoritative literature by address (1) practice issues that have been identified during implememntaion and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023. The anticipated impact of this pronouncement is uncertain at this time.

In June of 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement is effective for fiscal years beginning after June 15, 2023. Their will be no financial impact caused by this pronouncement.

In June of 2022, the GASB issued Statement No. 101, *Compensated Absences.* The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences, which is to be achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement is effective for fiscal years beginning after December 15, 2023. The anticipated impact of this pronouncement is uncertain at this time.

In December of 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement is effective for fiscal years beginning after June 15, 2024. The anticipated impact of this pronouncement is uncertain at this time.

In April of 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a governmrnt's accountability. This statement also addresses certain application issues. This Statement is effective for fiscal years beginning after June 15, 2025. The anticipated impact of this pronouncement is uncertain at this time.

In September of 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement is effective for fiscal years beginning after June 15, 2025. The anticipated impact of this pronouncement is uncertain at this time.

Note 19. Accounting Changes and Restatements

A. Primary Government

During the fiscal year 2023, the State identified and corrected the following misstatements in the fiscal year 2022 financial statements:

- Tax revenue was understated for governmental activities as a result of an understatement of unavailable tax revenue in governmental funds;
- The General Fund understated tax revenues;
- The General Fund overstated expenditures for Medicaid capitation;
- The Housing Division, a major enterprise fund, overstated amortization expense for Home is Possible Teacher Grants;
- The Forestry Nursery Fund, a nonmajor enterprise fund, overstated inventory;
- The Intergovernmental Trust Fund, a fiduciary fund, overstated taxes receivable and taxes collected for other governments and understated intergovernmental payables and payments to other governments.

As of July 1, 2022 the Housing Division adopted GASB Statement No. 91, *Conduit Debt Obligations* (GASB 91). Beginning net position as of July 1, 2022 was restated to retroactively remove the conduit debt obligations previously carried as liabilities, as well as the collateralizing conduit debt obligation assets.

Due to the implementation of GASB 91, cash at the beginning of the year on the Housing Division statement of cash flows was also restated. Cash at July 1, 2022 in the amount of $2,779,136 was restated by a negative $1,093,475, for restated cash at July 1, 2022 in the amount of $1,685,661.

The following table shows the changes to the beginning net position as of July 1, 2022, for the primary government (expressed in thousands):

	Governmental Activities	Business-type Activities
Net position at June 30, 2022, as originally reported	$ 11,326,806	$ 1,789,099
Overstatement of amortization expense	-	2,800
Understatement of tax revenue	81,619	-
Overstatement of inventory	-	(4)
Overstatement of medicaid capitation expense	237,500	-
Change in accounting principle GASB 91	-	(15)
Net position at July 1, 2022, as restated	$ 11,645,925	$ 1,791,880

The following table shows the changes to the beginning fund balance/net position as of July 1, 2022, for the following funds (expressed in thousands):

	Major Governmental Funds	Major Enterprise Fund		
	General Fund	Housing Division	Nonmajor Enterprise Funds	Custodial Funds
Fund balance/net position at June 30, 2022, as originally reported	$ 1,905,080	$ 247,421	$ 26,216	$ 368,973
Understatement of tax revenue	16,132	-	-	-
Overstatement of medicaid capitation expenditure	237,500	-	-	-
Overstatement of amortization expense	-	2,800	-	-
Overstatement of inventory	-	-	(4)	-
Understatement of payments to other governments	-	-	-	(75,369)
Overstatement of taxes collected for other governments	-	-	-	(65,001)
Change in accounting principle GASB 91	-	(15)	-	-
Fund balance/net position at July 1, 2022, as restated	$ 2,158,712	$ 250,206	$ 26,212	$ 228,603

B. Discretely Presented Component Unit

Effective July 1, 2022, the operations of Sierra Nevada University (SNU) were transferred to the University of Nevada Reno (UNR) and all real property assets of SNU were gifted to the UNR Foundation. In connection with these transactions the board of trustees of SNU were appointed by UNR to close out business in the remaining entity At this time, SNU became a blended component unit of NSHE and the prior year net position remaining in SNU of $8.5 million is reported as a restatement to the originally reported net position.

The following table shows the change to the beginning net position as of July 1, 2022 for NSHE (expressed in thousands):

	Nevada System of Higher Education
Net position at June 30, 2022 as originally reported	$ 2,931,770
Change in reporting entity	8,470
Net position at July 1, 2022 as restated	$ 2,940,240

C. New Accounting Pronouncements

During the fiscal year ended June 30, 2023, the State adopted the following new accounting standards issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 91, *Conduit Debt Obligations* provides a single method of reporting conduit debt obligations by clarifying the definition of conduit debt and establishes standards for accounting and financial reporting.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)* provides guidance for governmental entities on accounting and financial reporting related to subscription-based IT arrangements. The new standard requires a software subscription asset and a corresponding subscription liability to be recognized for SBITA arrangements a government has with software vendors. This new accounting standard requires entities to record a subscription liability and corresponding software subscription asset at the net present value of the future payment of the agreement over the term of the agreement, including any options for renewal that are reasonably certain will be exercised. Restatements were made regarding the classification of governmental activities assets and liabilities in the amounts of $350,554,000 and $350,554,000, respectively. There was no effect on beginning net position resulting from these reclassifications.

The following GASB statements were implemented and had little or no effect on the State's financial activities:

- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- GASB Statement No. 99, *Omnibus 2022*

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

For the Fiscal Year Ended June 30, 2023

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Sources of Financial Resources				
Fund balances, July 1	$ 5,310,619,804	$ 5,310,619,804	$ 5,310,619,804	$ -
Revenues:				
Sales taxes	1,441,740,000	1,821,003,001	1,791,686,534	(29,316,467)
Gaming taxes, fees, licenses	920,254,220	1,223,487,441	1,214,263,013	(9,224,428)
Intergovernmental	5,686,628,534	8,487,414,626	7,061,364,560	(1,426,050,066)
Other taxes	2,194,453,477	2,388,660,310	2,388,428,475	(231,835)
Sales, charges for services	320,924,412	334,800,561	313,655,172	(21,145,389)
Licenses, fees and permits	818,921,264	926,466,067	871,532,110	(54,933,957)
Interest	17,793,367	126,960,245	158,311,933	31,351,688
Other	534,645,804	700,443,753	660,628,658	(39,815,095)
Other financing sources:				
Proceeds from sale of bonds	8,097,514	8,097,514	7,960,957	(136,557)
Transfers	1,320,361,922	3,057,763,021	1,312,342,103	(1,745,420,918)
Reversions from other funds	-	-	67,532,829	67,532,829
Total sources of financial resources	18,574,440,318	24,385,716,343	21,158,326,148	(3,227,390,195)
Uses of Financial Resources				
Expenditures and encumbrances:				
Elected officials	2,869,554,494	3,079,606,288	555,058,294	2,524,547,994
Legislative and judicial	107,371,623	615,628,951	77,346,016	538,282,935
Finance and administration	110,038,003	216,401,526	120,717,149	95,684,377
Education - K to 12	730,597,356	2,332,664,175	1,508,368,532	824,295,643
Education - higher education	1,085,371,837	1,161,311,004	1,063,814,125	97,496,879
Human services	8,595,501,384	10,389,782,503	8,698,011,417	1,691,771,086
Commerce and industry	623,101,749	1,585,905,368	549,049,268	1,036,856,100
Public safety	534,637,544	629,039,907	495,284,574	133,755,333
Infrastructure	437,322,112	742,104,588	301,571,953	440,532,635
Special purpose agencies	196,075,406	238,173,482	161,269,606	76,903,876
Other financing uses:				
Transfers to other funds	1,180,157,265	1,962,014,180	1,962,014,180	-
Reversions to other funds	-	-	4,560,510	(4,560,510)
Projected reversions	(50,000,000)	(200,000,000)	-	(200,000,000)
Total uses of financial resources	16,419,728,773	22,752,631,972	15,497,065,624	7,255,566,348
Fund balances, June 30	$ 2,154,711,545	$ 1,633,084,371	$ 5,661,260,524	$ 4,028,176,153

[redacted]

(continued)

State Education Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget
$ 599,819,439	$ 599,819,439	$ 599,819,439	$ -
-	-	-	-
25,322,000	24,318,383	24,318,383	-
5,000,000	7,427,394	7,427,394	-
3,128,844,000	3,562,645,892	3,562,645,892	-
-	-	-	-
3,366,900	9,280,726	9,280,726	-
603,000	14,395,692	14,395,692	-
361,800	8,512,782	8,512,782	-
-	-	-	-
1,308,819,458	1,288,790,524	1,288,790,524	-
-	-	-	-
5,072,136,597	5,515,190,832	5,515,190,832	-
-	-	-	-
-	-	-	-
-	-	-	-
4,375,066,468	4,474,329,091	4,365,026,101	109,302,990
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
4,375,066,468	4,474,329,091	4,365,026,101	109,302,990
$ 697,070,129	$ 1,040,861,741	$ 1,150,164,731	$ 109,302,990

Notes to the Required Supplementary Information

For the Fiscal Year Ended June 30, 2023

Budgetary Reporting

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

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

Generally Accepted Accounting Principles (GAAP) require that the final legal budget be reflected in the "final budget" column. Therefore, updated revenue estimates available for appropriations as of August 9th are reported instead of the amounts disclosed in the original budget. The August 9, 2023 date is used because this is the date for which the Legislative Interim Finance Committee affected the last changes to the fiscal year ended June 30, 2023 budget as permitted by NRS 353.220.

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

	General Fund	State Education Fund
Fund balances (budgetary basis) June 30, 2023	$ 5,661,261	$ 1,150,165
***Adjustments*:**		
Basis differences:		
Petty cash or outside bank accounts	2,976	-
Accrual of certain other receivables	447,350	34,437
Inventory	51,255	-
Advances to other funds	5,910	(50,000)
Accrual of certain accounts payable and other liabilities	(615,478)	-
Unearned revenues	(2,184,677)	-
Deferred inflows - unavailable	(322,671)	(124)
Encumbrances	2,083	-
Other	5,633	(1,543)
Perspective differences:		
Special revenue fund reclassified to General Fund for GAAP purposes	145,400	-
Fund balances (GAAP basis) June 30, 2023	$ 3,199,042	$ 1,132,935

Total fund balance on the budgetary basis in the General Fund at June 30, 2023, is composed of both restricted funds, which are not available for appropriation, and unrestricted funds as follows (expressed in thousands):

Total fund balance (budgetary basis)	$ 5,661,261
Restricted funds	(4,860,903)
Unrestricted fund balance (budgetary basis)	$ 800,358

Required Supplementary Information

For the Fiscal Year Ended June 30, 2023

Pension Plan Information

A. Multiple-employer Cost Sharing Plan

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
State's proportion of the net pension liability	15.7 %	16.7 %	16.8 %	16.7 %	16.5 %	16.8 %	16.3 %	16.4 %	16.6 %
State's proportionate share of the net pension liability	$ 2,832,768	$1,522,865	$2,345,467	$2,278,610	$2,248,729	$2,233,666	$2,187,213	$1,879,626	$1,730,601
State's covered payroll	$ 1,058,218	$1,085,098	$1,092,368	$1,049,306	$ 997,840	$ 984,131	$ 906,687	$ 874,098	$ 872,316
State's proportionate share of the net pension liability as a percentage of its covered payroll	268 %	140 %	215 %	217 %	225 %	227 %	241 %	215 %	198 %
Plan fiduciary net position as a percentage of the total pension liability	75 %	87 %	77 %	76 %	75 %	74 %	72 %	75 %	76 %

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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contributions	$ 174,571	$ 173,527	$ 175,570	$ 176,300	$ 161,627	$ 153,762	$ 151,492	$ 190,528	$ 176,579	$ 174,712
Contributions in relation to the statutorily required contribution	$ 174,571	$ 173,527	$ 175,570	$ 176,300	$ 161,627	$ 153,762	$ 151,492	$ 190,528	$ 176,579	$ 174,712
Contribution (deficiency) excess	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 1,066,405	$ 1,058,218	$ 1,085,098	$ 1,092,368	$ 1,049,306	$ 997,840	$ 984,131	$ 906,687	$ 874,098	$ 872,316
Contributions as a percentage of covered payroll	16 %	16 %	16 %	16 %	15 %	15 %	15 %	21 %	20 %	20 %

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

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
NSHE's proportion of the net pension liability	2.8 %	3.0 %	3.0 %	3.0 %	2.9 %	2.9 %	2.9 %	2.8 %	2.8 %
NSHE's proportionate share of the net pension liability	$ 501,370	$ 272,974	$ 424,238	$ 414,036	$ 398,883	$ 383,226	$ 389,352	$ 324,708	$ 292,841
NSHE's covered payroll	$ 198,288	$ 205,049	$ 200,838	$ 196,183	$ 187,737	$ 179,694	$ 171,007	$ 165,653	$ 162,250
NSHE's proportionate share of the net pension liability as a percentage of its covered payroll	253 %	133 %	211 %	211 %	212 %	213 %	228 %	196 %	180 %
Plan fiduciary net position as a percentage of the total pension liability	75 %	87 %	77 %	76 %	75 %	74 %	72 %	75 %	76 %

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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contributions	$ 32,454	$ 30,715	$ 31,286	$ 30,564	$ 28,549	$ 27,030	$ 34,456	$ 33,124	$ 29,901
Contributions in relation to the statutorily required contribution	$ 32,454	$ 30,715	$ 31,286	$ 30,564	$ 28,549	$ 27,030	$ 43,152	$ 35,756	$ 29,901
Contribution (deficiency) excess	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,696	$ -	$ -
Covered payroll	$ 209,321	$ 198,288	$ 205,049	$ 200,838	$ 196,183	$ 187,737	$ 179,694	$ 171,007	$ 165,653
Contributions as a percentage of covered payroll	16 %	15 %	15 %	15 %	15 %	14 %	19 %	19 %	18 %

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

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
CRC's proportion of the net pension liability	0.04 %	0.04 %	0.04 %	0.04 %	0.04 %	0.04 %	0.05 %	0.05 %	0.1 %
CRC's proportionate share of the net pension liability	$ 7,189	$ 3,836	$ 6,152	$ 5,986	$ 5,994	$ 5,867	$ 6,596	$ 4,997	$ 6,305
CRC's covered payroll	$ 2,717	$ 2,881	$ 2,881	$ 2,970	$ 2,856	$ 2,702	$ 2,575	$ 2,531	$ 2,348
CRC's proportionate share of the net pension liability as a percentage of its covered payroll	265 %	133 %	214 %	202 %	210 %	217 %	256 %	197 %	269 %
Plan fiduciary net position as a percentage of the total pension liability	75 %	87 %	77 %	76 %	75 %	74 %	72 %	75 %	76 %

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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contributions	$ 487	$ 421	$ 439	$ 460	$ 423	$ 406	$ 396	$ 523	$ 507	$ 528
Contributions in relation to the statutorily required contribution	$ 468	$ 440	$ 441	$ 465	$ 423	$ 406	$ 396	$ 523	$ 507	$ 528
Contribution (deficiency) excess	$ (19)	$ 19	$ 2	$ 5	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 3,140	$ 2,717	$ 2,881	$ 3,092	$ 2,970	$ 2,856	$ 2,702	$ 2,575	$ 2,531	$ 2,348
Contributions as a percentage of covered payroll	15 %	16 %	15 %	15 %	14 %	14 %	15 %	20 %	20 %	22 %

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

B. Single-employer Plan

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	$ 32	$ 32	$ 33	$ 29	$ 30	$ 29	$ 31	$ 39	$ 37
Interest	347	350	349	372	373	398	414	426	428
Differences between expected and actual experience	147	(119)	56	(266)	47	(82)	(145)	(109)	-
Changes of assumptions	-	268	-	-	-	125	-	-	-
Benefit payments, including refunds	(406)	(421)	(427)	(470)	(460)	(482)	(503)	(497)	(494)
Net change in total pension liability	120	110	11	(335)	(10)	(12)	(203)	(141)	-
Total pension liability - beginning	4,951	4,841	4,830	5,165	5,175	5,187	5,390	5,531	5,560
Total pension liability - ending (a)	$ 5,071	$ 4,951	$ 4,841	$ 4,830	$ 5,165	$ 5,175	$ 5,187	$ 5,390	$ -
Plan fiduciary net position									
Contributions - employer	$ 83	$ 83	$ 98	$ 98	$ 105	$ 105	$ 156	$ 156	$ 213
Contributions - employee	19	19	25	24	20	20	23	23	27
Net investment income	(503)	1,254	294	342	397	526	62	179	804
Benefit payments, including refunds	(406)	(421)	(427)	(470)	(460)	(481)	(503)	(497)	(494)
Administrative expense	(88)	(83)	(80)	(75)	(72)	(68)	(65)	(85)	(46)
Other	88	84	81	76	73	69	66	86	46
Net change in plan fiduciary net position	(807)	936	(9)	(5)	63	171	(261)	(138)	-
Plan fiduciary net position - beginning	5,630	4,694	4,703	4,708	4,645	4,474	4,735	4,873	4,323
Plan fiduciary net position - ending (b)	$ 4,823	$ 5,630	$ 4,694	$ 4,703	$ 4,708	$ 4,645	$ 4,474	$ 4,735	$ -
Net pension liability/(asset) - beginning	$ (679)	$ 147	$ 127	$ 457	$ 530	$ 713	$ 655	$ 658	$ 1,237
Net pension liability/(asset) - ending (a) - (b)	$ 248	$ (679)	$ 147	$ 127	$ 457	$ 530	$ 713	$ 655	$ -
Plan fiduciary net position as a percentage of total pension liability	95 %	114 %	97 %	97 %	91 %	90 %	86 %	88 %	- %

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

For the Fiscal Year Ended June 30, 2023

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contributions	$ 181	$ -	$ 166	$ -	$ 196	$ -	$ 210	$ -	$ 312
Contributions in relation to the statutorily required contribution	$ 181	$ -	$ 166	$ -	$ 196	$ -	$ 210	$ -	$ 312

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

C. Agent Multiple-employer Plan

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	$ 4,420	$ 4,207	$ 4,117	$ 4,092	$ 4,231	$ 3,718	$ 3,828	$ 3,593	$ 3,411
Interest	12,982	11,585	11,034	10,415	10,141	9,993	9,677	8,876	8,367
Differences between expected and actual experience	124	1,123	(3,301)	(30)	(5,065)	1,123	(4,211)	1,250	(2,666)
Change of assumptions	-	11,795	-	-	-	79	-	-	-
Benefit payments, including refunds	(7,705)	(7,038)	(6,594)	(6,119)	(5,657)	(5,524)	(5,351)	(4,896)	(4,295)
Other	1,690	4,424	-	220	515	419	-	2,357	990
Net change in total pension liability	11,511	26,096	5,256	8,578	4,165	9,808	3,943	11,180	-
Total pension liability - beginning	177,656	151,560	146,304	137,726	133,561	123,753	119,810	108,630	102,823
Total pension liability - ending (a)	$ 189,167	$ 177,656	$ 151,560	$ 146,304	$ 137,726	$ 133,561	$ 123,753	$ 119,810	$ -
Plan fiduciary net position									
Contributions - employer	$ 5,250	$ 5,413	$ 5,334	$ 5,265	$ 5,307	$ 5,786	$ 5,773	$ 6,155	$ 6,002
Contributions - employee	354	423	635	473	115	255	269	96	-
Net investment income	(17,248)	38,931	8,418	9,551	9,696	12,556	1,556	3,206	14,252
Benefit payments, including refunds	(7,705)	(7,037)	(6,594)	(6,119)	(5,657)	(5,524)	(5,351)	(4,896)	(4,295)
Administrative expense	(117)	(114)	(109)	(106)	(101)	(95)	(90)	(86)	(83)
Other	1,689	4,424	-	220	515	419	-	2,357	990
Net change in plan fiduciary net position	(17,777)	42,040	7,684	9,284	9,875	13,397	2,157	6,832	-
Plan fiduciary net position - beginning	183,382	141,342	133,658	124,374	114,499	101,102	98,945	92,113	75,247
Plan fiduciary net position - ending (b)	$ 165,605	$ 183,382	$ 141,342	$ 133,658	$ 124,374	$ 114,499	$ 101,102	$ 98,945	$ -
Net pension liability/(asset) - beginning	$ (5,726)	$ 10,218	$ 12,646	$ 13,352	$ 19,062	$ 22,651	$ 20,865	$ 16,517	$ 27,576
Net pension liability/(asset) - ending (a) - (b)	$ 23,562	$ (5,726)	$ 10,218	$ 12,646	$ 13,352	$ 19,062	$ 22,651	$ 20,865	$ -
Plan fiduciary net position as a percentage of total pension liability	88 %	103 %	93 %	91 %	90 %	86 %	82 %	83 %	- %
Covered payroll (measurement as of end of fiscal year)	$ 20,077	$ 20,193	$ 20,561	$ 20,353	$ 20,451	$ 20,995	$ 20,154	$ 19,930	$ 18,934
Net pension liability/(asset) as a percentage of covered payroll	117 %	(28)%	50 %	62 %	65 %	91 %	112 %	105 %	87 %

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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 5,520	$ 5,272	$ 5,255	$ 5,300	$ 5,191	$ 5,585	$ 5,138	$ 5,443	$ 5,266
Contributions in relation to the actuarially determined contribution	$ 4,512	$ 4,660	$ 4,851	$ 4,776	$ 4,744	$ 4,789	$ 5,262	$ 5,227	$ 5,535
Contribution (deficiency) excess	$ (1,008)	$ (612)	$ (404)	$ (524)	$ (447)	$ (796)	$ 124	$ (216)	$ 269
Covered payroll	$ 17,009	$ 17,010	$ 17,133	$ 17,549	$ 17,414	$ 17,583	$ 18,195	$ 17,425	$ 17,132
Contributions as a percentage of covered payroll	27 %	27 %	28 %	27 %	27 %	27 %	29 %	30 %	32 %

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

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

Changes of Assumptions - The PERS plan reflects the following changes in assumptions from June 30, 2020, to June 30, 2021.

- The inflation rate decreased from 2.75% to 2.50%.
- Payroll growth decreased from 5.00% to 3.50%.
- Investment rate of return decreased from 7.50% to 7.25%.
- Projected salary increases declined from 4.25% to 9.15% to 4.20% to 9.10% for Regular members.
- Projected salary increases declined from 4.55% to 13.90% to 4.60% to 14.50% for Police/Fire members.
- The consumer price index decreased from 2.75% to 2.50%.
- Mortality rates were changed from Headcount-Weighted RP-2014 Tables to Pub-2010 Mortality Tables.
- Future mortality improvement was changed from 6 years to the Generational Projection Scale MP-2020.
- The discount rate decreased from 7.50% to 7.25%.

The PERS plan reflects the following changes in assumptions from June 30, 2016, to June 30, 2017.

- The inflation rate decreased from 3.50% to 2.75%.
- Investment rate of return decreased from 8.00% to 7.50%.
- Productivity of pay decreased from 0.75% to 0.50%.
- Projected salary increases declined from 4.60% to 9.75% to 4.25% to 9.15% for Regular members.
- Projected salary increases declined from 5.25% to 14.50% to 4.55% to 13.90% for Police/Fire members.
- The consumer price index decreased from 3.50% to 2.75%.
- Mortality rates were changed from RP-2000 Combined Healthy/Disabled Mortality Table to Headcount-Weighted RP-2014 Healthy/Disabled Tables.

Postemployment Benefits Other Than Pensions (OPEB)

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

	2022	2021	2020	2019	2018	2017
State's proportion of the collective net OPEB liability	58.33 %	58.87 %	58.68 %	58.14 %	59.88 %	61.00 %
State's proportionate share of the collective net OPEB liability	$ 841,267	$ 912,584	$ 882,306	$ 810,288	$ 793,089	$ 799,477
State's covered payroll *	$ 1,067,396	$ 986,868	$ 1,109,289	$ 1,058,033	$ 1,010,679	$ 964,668
State's proportionate share of the collective net OPEB liability as a percentage of its covered payroll *	78.81 %	92.47 %	79.54 %	76.58 %	78.47 %	82.00 %
Plan fiduciary net position as a percentage of the total OPEB liability	(1.40)%	(0.65)%	(0.38)%	0.02 %	0.12 %	- %

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

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

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

	2023	2022	2021	2020	2019	2018
Contractually required contribution *	$ 24,079	$ 23,162	$ 23,290	$ 25,957	$ 24,758	$ 23,751
Contributions in relation to the contractually required contribution	$ 24,079	$ 23,162	$ 23,290	$ 25,957	$ 24,758	$ 23,751
State's covered payroll *	$ 1,109,648	$ 1,067,396	$ 986,868	$ 1,109,289	$ 1,058,033	$ 1,010,679
Contributions as a percentage of covered payroll	2.18 %	2.17 %	2.36 %	2.34 %	2.34 %	2.35 %

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

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

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

	2022	2021	2020	2019	2018	2017
NSHE's proportion of the collective net OPEB liability	40.56 %	40.10 %	40.35 %	40.85 %	39.13 %	37.00 %
NSHE's proportionate share of the collective net OPEB liability	$ 584,918	$ 621,544	$ 606,769	$ 569,268	$ 518,254	$ 489,754
NSHE's covered payroll	$ 740,121	$ 744,695	$ 757,182	$ 711,803	$ 667,622	$ 625,454
NSHE's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	79.03 %	83.46 %	80.14 %	79.98 %	77.63 %	78.00 %
Plan fiduciary net position as a percentage of the total OPEB liability	(1.40)%	(0.65)%	(0.38)%	0.02 %	0.12 %	- %

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

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

	2023	2022	2021	2020	2019	2018
Contractually required contribution	$ 16,710	$ 16,061	$ 17,426	$ 17,794	$ 16,727	$ 15,689
Contributions in relation to the contractually required contribution	$ 16,785	$ 16,058	$ 15,857	$ 17,716	$ 16,656	$ 15,702
Contribution (deficiency) excess	$ 75	$ (3)	$ (1,569)	$ (78)	$ (71)	$ 13
NSHE's covered payroll	$ 770,032	$ 740,121	$ 744,695	$ 757,182	$ 711,803	$ 667,622
Contributions as a percentage of covered payroll	2.17 %	2.17 %	2.34 %	2.35 %	2.35 %	2.35 %

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

Required Supplementary Information

For the Fiscal Year Ended June 30, 2023

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

	2022	2021	2020	2019	2018	2017
CRC's proportion of the collective net OPEB liability	0.16 %	0.16 %	0.16 %	0.16 %	0.17 %	- %
CRC's proportionate share of the collective net OPEB liability	$ 2,402	$ 2,465	$ 2,376	$ 2,267	$ 2,218	$ 2,261
CRC's covered payroll	$ 3,793	$ 2,881	$ 3,105	$ 3,167	$ 2,891	$ 2,702
CRC's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	63.32 %	85.56 %	76.52 %	71.58 %	76.73 %	83.00 %
Plan fiduciary net position as a percentage of the total OPEB liability	(1.40)%	(0.65)%	(0.38)%	0.02 %	0.12 %	- %

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

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

	2023	2022	2021	2020	2019	2018
Contractually required contribution	$ 69	$ 63	$ 69	$ 73	$ 52	$ 68
Contributions in relation to the contractually required contribution	$ 69	$ 63	$ 63	$ 73	$ 69	$ 66
Contribution (deficiency) excess	$ -	$ -	$ (7)	$ -	$ 17	$ (2)
CRC's covered payroll	$ 3,139	$ 2,726	$ 2,881	$ 3,105	$ 3,167	$ 2,750
Contributions as a percentage of covered payroll	2.19 %	2.32 %	2.18 %	2.34 %	1.65 %	2.48 %

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

Notes to Required Supplementary Information - In the valuation report for 2022, the discount rate used to measure the total OPEB liability increased from 2.21% to 3.54%. In the valuation report for 2020, the discount rate decreased from 3.87% to 2.21%. The valuation report for 2019 kept the same discount rate as 2018. In the valuation report for 2018, the discount rate increased from 3.58% to 3.87%.

Required Supplementary Information

For the Fiscal Year Ended June 30, 2023

Schedule of Infrastructure Condition and Maintenance Data

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

The State manages its roadway network by dividing the roadway system into five categories based on the traffic load. The categories range from category I, representing the busiest roadways and interstates, to category V, representing the least busy rural routes with an average daily traffic of less than 250 vehicles. To monitor the condition of the roadways the State uses the International Roughness Index (IRI). IRI measures the cumulative deviation from a smooth surface. The lower the IRI value, the better the condition of the roadway. Results of the condition assessments provide reasonable assurance that the condition level of the roadways is being preserved above, or approximately at, the condition level established for all road categories. The following tables show the State's condition level of the roadways.

Condition Level of the Roadways

Percentage of roadways with an IRI of 95 or less

	Category				
	I	II	III	IV	V
State Policy-minimum percentage	70%	65%	60%	40%	10%
Actual results of 2022 condition assessment	91%	88%	80%	61%	23%
Actual results of 2021 condition assessment	90%	88%	81%	64%	21%
Actual results of 2020 condition assessment	91%	86%	87%	54%	28%

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

Condition Level of the Bridges

Percentage of substandard bridges

	2023	2022	2021
State Policy-maximum percentage	7%	7%	7%
Actual results condition assessment	1%	1%	1%

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

Maintenance and Preservation Costs

(Expressed in Thousands)

	2023	2022	2021	2020	2019
Estimated	$ 142,510	$ 269,778	$ 212,856	$ 178,393	$ 134,713
Actual	226,264	230,580	181,928	152,595	130,158

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

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Honorable Andy Matthews
State Controller
Carson City, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nevada (the State), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the State's basic financial statements, and have issued our report thereon dated August 15, 2025. Our report includes a reference to other auditors who audited the financial statements of the following, as described in our report on the State of Nevada's financial statements:

- Nevada System of Higher Education, a discretely presented component unit
- Colorado River Commission, a discretely presented component unit
- Pension Trust Funds, a part of the pension and other employee benefits trust fiduciary fund
- Retirement Benefits Investment Fund, a fiduciary investment trust fund
- Vanguard, SSGA, USAA, and Putnam Nevada College Savings Plans, a part of the private-purpose trust fiduciary fund
- Insurance Premiums, an internal service fund
- Printing, an internal service fund
- Legislative, a part of the general fund

This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by some of those auditors. The financial statements of the Pension Trust Funds, the Insurance Premiums Internal Service Fund and the Retirement Benefits Investment Fund were not audited in accordance with *Government Auditing Standards*.

Our report qualifies the opinion on the governmental activities and the general fund because the State was unable to determine an amount that should have been recorded for the Division of Emergency Management's inventory at the beginning of the year.

Report on Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2023-001 through 2023-008, 2023-010 through 2023-013, 2023-015 through 2023-017, and 2023-020 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2023-009, 2023-014, 2023-018, 2023-019 and 2023-021 to be significant deficiencies.

Report on Compliance and Other Matters

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

The State's Response to Findings

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

Purpose of this Report

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

Eide Bailly LLP

Reno, Nevada
August 15, 2025

Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Legislative Auditor
Legislative Counsel Bureau
Capitol Complex
Carson City, Nevada

Report on Compliance for Each Major Federal Program

Adverse, Qualified, and Unmodified Opinions

We have audited the State of Nevada's (the State's) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the State's major federal programs for the year ended June 30, 2023. The State's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Adverse Opinion on Emergency Rental Assistance Program

In our opinion, because of the significance of the matters discussed in the Basis for Adverse, Qualified, and Unmodified Opinions section of our report, the State did not comply in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Emergency Rental Assistance Program for the year ended June 30, 2023.

Qualified Opinion on Child Nutrition Cluster, Coronavirus State and Local Fiscal Recovery Fund, Title I Grants to Local Educational Agencies, Education Stabilization Fund, Temporary Assistance for Needy Families, Low-Income Home Energy Assistance, CCDF Cluster, and Medicaid Cluster

In our opinion, except for the noncompliance described in the Basis for Adverse, Qualified, and Unmodified Opinions section of our report, the State complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster, Coronavirus State and Local Fiscal Recovery Fund, Title I Grants to Local Educational Agencies, Education Stabilization Fund, Temporary Assistance for Needy Families, Low-Income Home Energy Assistance, CCDF Cluster, and Medicaid Cluster for the year ended June 30, 2023.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the State complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2023.

Basis for Adverse, Qualified, and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the State and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse, qualified, and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the State's compliance with the compliance requirements referred to above.

Matters Giving Rise to Adverse Opinion on Emergency Rental Assistance Program

As described in the accompanying schedule of findings and questioned costs, the State did not comply with requirements regarding:

Finding #	Assistance Listing #	Program (or Cluster) Name	Compliance Requirement
2023-026	21.023	Emergency Rental Assistance	Reporting
2023-027	21.023	Emergency Rental Assistance	Subrecipient Monitoring
2023-028	21.023	Emergency Rental Assistance	Special Tests and Provisions

Compliance with such requirements is necessary, in our opinion, for the State to comply with the requirements applicable to that program.

Matters Giving Rise to Qualified Opinion on Child Nutrition Cluster, Coronavirus State and Local Fiscal Recovery Fund, Title I Grants to Local Educational Agencies, Education Stabilization Fund, Temporary Assistance for Needy Families, Low-Income Home Energy Assistance, CCDF Cluster, and Medicaid Cluster

As described in the accompanying schedule of findings and questioned costs, the State did not comply with requirements regarding:

Finding #	Assistance Listing #	Program (or Cluster) Name	Compliance Requirement
2023-022	10.553/10.555/10.556/ 10.559/10.582	Child Nutrition Cluster	Reporting
2023-031	21.027	Coronavirus State and Local Fiscal Recovery Fund	Reporting
2023-032	21.027	Coronavirus State and Local Fiscal Recovery Fund	Subrecipient Monitoring
2023-033	84.010	Title I Grants to Local Educational Agencies	Matching, Level of Effort and Earmarking

Finding #	Assistance Listing #	Program (or Cluster) Name	Compliance Requirement
2023-036	84.425	Education Stabilization Fund	Matching, Level of Effort and Earmarking
2023-037	84.425	Education Stabilization Fund	Reporting
2023-039	93.558	Temporary Assistance for Needy Families	Reporting
2023-044	93.568	Low-Income Home Energy Assistance	Reporting
2023-045	93.568	Low-Income Home Energy Assistance	Reporting
2023-046	93.568	Low-Income Home Energy Assistance	Reporting
2023-049	93.575/93.596	CCDF Cluster	Reporting
2023-057	93.775/93.777/93.778	Medicaid Cluster	Reporting

Compliance with such requirements is necessary, in our opinion, for the State to comply with the requirements applicable to that program.

Other Matter – Federal Expenditures Not Included in the Compliance Audit

The State's basic financial statements include the operations of the Nevada System of Higher Education, a discretely presented component unit, which expended $729,769,882 in federal awards which is not included in the State's schedule of expenditures of federal awards during the year ended June 30, 2023. Our compliance audit, described in the "Adverse, Qualified, and Unmodified Opinions" does not include the operations of the Nevada System of Higher Education because the Nevada System of Higher Education engaged other auditors to perform an audit in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the State's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the State's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions,

misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the State's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the State's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the State's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as findings 2023-043, 2023-050, 2023-054, and 2023-055. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-022, 2023-026 through 2023-029, 2023-031 through 2023-037, 2023-039, 2023-040, 2023-044 through 2023-046, 2023-048, 2023-049, and 2023-053 through 2023-057 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-023 through 2023-025, 2023-030, 2023-038, 2023-041 through 2023-043, 2023-047, and 2023-050 through 2023-052 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the State's basic financial statements. We issued our report thereon dated August 15, 2025, which contained qualified and unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting

and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Reno, Nevada
September 10, 2025

STATE OF NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass- Through Number	Expenditures	Payments to Subrecipients
Department of Agriculture				
Research and Development CLUSTER				
Farm to School State Formula Grant	10.645	227VNAG5I2003	$ 12,737	$ -
Total Research and Development CLUSTER			**12,737**	**-**
Total Department of Agriculture			**12,737**	**-**
Department of Defense				
Research and Development CLUSTER				
Basic and Applied Scientific Research	12.300	N62473-22-2-0010	17,000	-
Total Research and Development CLUSTER			**17,000**	**-**
Total Department of Defense			**17,000**	**-**
Department of the Interior				
Research and Development CLUSTER				
Outdoor Recreation Acquisition, Development and Planning	15.916	FFY 2019 LWCF	157,849	-
Outdoor Recreation Acquisition, Development and Planning	15.916	FFY 2020 LWCF	768,379	8,575
Outdoor Recreation Acquisition, Development and Planning	15.916	FFY 2021 LWCF	423,955	-
			1,350,183	**8,575**
Total Research and Development CLUSTER			**1,350,183**	**8,575**
Total Department of the Interior			**1,350,183**	**8,575**
Department of Justice				
Research and Development CLUSTER				
Passed Through Pacific Institute For Research and Evaluation National Institute of Justice Research, Evaluation, and Development Project	16.560	2016-CK-BX-0007	197,847	23,403
Total Research and Development CLUSTER			**197,847**	**23,403**
Total Department of Justice			**197,847**	**23,403**
Environmental Protection Agency				
Research and Development CLUSTER				
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	PM 98T04301	114,268	-
COVID-19 Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	OP98T388010	175,663	-
			289,931	**-**
Regional Wetland Program Development Grants	66.461	98T30101	193,156	148,806
Regional Wetland Program Development Grants	66.461	99T93201	54,240	37,572
			247,396	**186,378**

See Notes to Schedule of Expenditures of Federal Awards

STATE OF NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass-Through Number	Expenditures	Payments to Subrecipients
Passed Through Nevada System of Higher Education Science to Achieve Results (STAR) Research Program	66.509	RD-84023601	7,935	-
Total Research and Development CLUSTER			**545,262**	**186,378**
Total Environmental Protection Agency			**545,262**	**186,378**
Department of Health and Human Services				
Research and Development CLUSTER				
Passed Through Association of Food and Drug Officials Food and Drug Administration Research	93.103	G-2110-03146	14,774	-
Passed Through Association of Food and Drug Officials Food and Drug Administration Research	93.103	G-2212-03753	2,770	-
Passed Through Association of Food and Drug Officials Food and Drug Administration Research	93.103	IU2FFD007421-01	174,501	-
Passed Through Association of Food and Drug Officials Food and Drug Administration Research	93.103	G-ME-2204-03280	15,774	-
			207,819	**-**
Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	93.130	5 U68HP11441-15-00	23,323	-
Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	93.130	U68HP11441-14-00	125,667	-
			148,990	**-**
Injury Prevention and Control Research and State and Community Based Programs	93.136	1 NU17CE010040-01-00	147,887	138,150
Injury Prevention and Control Research and State and Community Based Programs	93.136	1 NU17CE010122-01-00	192,878	143,539
Injury Prevention and Control Research and State and Community Based Programs	93.136	5 NU17CE925001-03-00	5,135,094	2,024,999
Injury Prevention and Control Research and State and Community Based Programs	93.136	5 NUF2CE002475-04-00	454,029	318,887
Injury Prevention and Control Research and State and Community Based Programs	93.136	5 NUF2CE002475-05-00	52,957	12,696
			5,982,845	**2,638,271**
Flexible Funding Model - Infrastructure Development and Maintenance for State Manufactured Food Regulatory Programs	93.367	SU18FD006396-04	4,226	4,226
Flexible Funding Model - Infrastructure Development and Maintenance for State Manufactured Food Regulatory Programs	93.367	5UI8FD003696-05	141,544	-
			145,770	**4,226**
Total Research and Development CLUSTER			**6,485,424**	**2,642,497**
Total Department of Health and Human Services			**6,485,424**	**2,642,497**
Grand Total Research and Development CLUSTER			**8,608,453**	**2,860,853**

See Notes to Schedule of Expenditures of Federal Awards

STATE OF NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass- Through Number	Expenditures	Payments to Subrecipients
Department of Agriculture				
Child Nutrition CLUSTER				
School Breakfast Program	10.553	227NVAG3N1199	13,672,446	13,637,170
School Breakfast Program	10.553	237NVAG3N1199	36,009,380	35,907,370
			49,681,826	**49,544,540**
National School Lunch Program	10.555	227NVAG3N1199	41,012,465	40,950,191
National School Lunch Program	10.555	227NVAG3N8903	12,991,057	12,968,996
National School Lunch Program	10.555	237NVAG3N1199	108,553,505	108,372,577
National School Lunch Program	10.555	National School Lunch Program Commodities	20,153,446	20,153,446
National School Lunch Program	10.555	USDA Commodity Credit Corp (CCC)	2,116,893	2,116,893
			184,827,366	**184,562,103**
Special Milk Program for Children	10.556	227NVAG3N1199	6,503	6,503
Special Milk Program for Children	10.556	237NVAG3N1199	17,754	17,754
			24,257	**24,257**
Summer Food Service Program for Children	10.559	227NVAG3N1199	70,947	-
Summer Food Service Program for Children	10.559	227NVAG3N2020	5,726,705	5,726,705
Summer Food Service Program for Children	10.559	237NVAG3N1199	33,962	12,317
Summer Food Service Program for Children	10.559	Summer Food Service Program Commodities	28,912	28,912
			5,860,526	**5,767,934**
Fresh Fruit and Vegetable Program	10.582	237NV AG1L1603	1,486,081	1,486,081
Fresh Fruit and Vegetable Program	10.582	7NV310AG1/227NVAG1L1603	562,713	562,713
			2,048,794	**2,048,794**
Total Child Nutrition CLUSTER			**242,442,769**	**241,947,628**
Food Distribution CLUSTER				
Commodity Supplemental Food Program	10.565	227NVAG8Y8005	197,663	197,663
Commodity Supplemental Food Program	10.565	7NV810AG1 /237NVAG1Y8005	378,506	322,117
Commodity Supplemental Food Program	10.565	Commodity Supplemental Food Program (CSFP)	1,348,984	1,348,984
			1,925,153	**1,868,764**
Emergency Food Assistance Program (Administrative Costs)	10.568	227NVAG8Y8105	327,685	325,994
Emergency Food Assistance Program (Administrative Costs)	10.568	227NVNV8P1103	1,064,464	1,064,464
Emergency Food Assistance Program (Administrative Costs)	10.568	237NVAG8Y8105	599,669	591,543

See Notes to Schedule of Expenditures of Federal Awards

STATE OF NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass- Through Number	Expenditures	Payments to Subrecipients
Emergency Food Assistance Program (Administrative Costs)	10.568	Build Back Better (TEFAP)	1,492,798	1,492,798
			3,484,616	**3,474,799**
Emergency Food Assistance Program (Food Commodities)	10.569	USDA Commodity Credit Corp (CCC) TEFAP	2,129,944	2,129,944
Emergency Food Assistance Program (Food Commodities)	10.569	Emergency Food Assistance Program (TEFAP)	14,440,879	14,440,879
			16,570,823	**16,570,823**
Total Food Distribution CLUSTER			**21,980,592**	**21,914,386**
Forest Service Schools and Roads CLUSTER				
Schools and Roads - Grants to States	10.665	Schools and Roads Grants to States	3,411,616	3,411,616
Total Forest Service Schools and Roads CLUSTER			**3,411,616**	**3,411,616**
SNAP CLUSTER				
Supplemental Nutrition Assistance Program (SNAP)	10.551	218NV489F7403	904,505	-
Supplemental Nutrition Assistance Program (SNAP)	10.551	SNAP	1,241,899,182	-
			1,242,803,687	**-**
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	202121Q390347	43,583	43,583
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	202222Q390347	1,200,946	1,124,568
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	227NVNV4Q750347 202222Q7750347	248,160	28,784
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	227NVNV4S2514 202222S251447	5,456,996	238,788
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	227NVNV4S2519 202222S251947	13,259	13,259
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	227NVNV4S2520 202222S252047	1,566	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	237NVNV4Q7503	1,120,515	29,075
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	237NVNV4S2514 202323S251447	25,900,257	551,729
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	237NVNV4S2519 202323S25I947	2,447	2,447
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	237NVNV4S2520 202323S252047	4,954	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	237NVNV5Q3903	1,580,757	1,428,609
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	237NVNV7F1003 202321F100347	4,819,264	-
COVID-19 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	7NV460NV7 20221FI00347	1,019,707	-
			41,412,411	**3,460,842**
Total SNAP CLUSTER			**1,284,216,098**	**3,460,842**

See Notes to Schedule of Expenditures of Federal Awards

STATE OF NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass-Through Number	Expenditures	Payments to Subrecipients
Plant and Animal Disease, Pest Control, and Animal Care	10.025	04-8576-0836-CA	193,509	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP20PPQFO000C077	668	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP20PPQFO000C342	742	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP21PPQFO000C299	1,912	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP21PPQFO000C320	6,801	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP21PPQFO000C321	13,862	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP21PPQFO000C322	644	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP21PPQFO000C323	10,844	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP21PPQFO000C324	11,821	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP21PPQFO000C325	1,445	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP21PPQFO000C326	43,842	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP21PPQFO000C327	9,710	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP21PPQFO000C370	487	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP21PPQFO000C514	6,774	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP22PPQFO000C247	18,542	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP22PPQFO000C320	30,592	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP22PPQFO000C321	28,104	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP22PPQFO000C375	25,616	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP22PPQFO000C377	62,726	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP22PPQFO000C378	18,335	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP22PPQFO000C379	2,875	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP22PPQFO000C380	288	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP22PPQFO000C381	13,580	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP22PPQFO000C382	10,969	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP22PPQFO000C383	4,416	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP22PPQFO000C384	913	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP22PPQFO000C386	7,915	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP22PPQFO000C387	9,641	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP22PPQFO000C389	3,653	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP22VSSPRS00C020	9,973	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP22VSSPRS00C021	25,882	-

See Notes to Schedule of Expenditures of Federal Awards

STATE OF NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass- Through Number	Expenditures	Payments to Subrecipients
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP23VSSPRS00C047	6,248	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP23VSSPRS00C064	12,919	-
			596,248	**-**
Wildlife Services	10.028	AP21WSNWRC00C020	78,162	-
Market Protection and Promotion	10.163	21-COOLX-NV-0026	5,771	-
Specialty Crop Block Grant Program - Farm Bill	10.170	21SCBPNV1042-00	63,540	63,345
Specialty Crop Block Grant Program - Farm Bill	10.170	21SCBPNV1076 - 00	20,455	20,455
Specialty Crop Block Grant Program - Farm Bill	10.170	AM180100XXXXG027	10,617	10,617
Specialty Crop Block Grant Program - Farm Bill	10.170	AM190100XXXXG022	61,292	61,292
Specialty Crop Block Grant Program - Farm Bill	10.170	AM200100XXXXG022	116,812	82,465
			272,716	**238,174**
Food Bank Network	10.182	AM22LFPA0000C024	679,105	-
Passed Through UC Davis Homeland Security Agricultural	10.304	A22-1782-S006	31,138	-
Farm and Ranch Stress Assistance Network Competitive Grants Program	10.525	2021-70035-35748	169,353	-
Supplemental Nutrition Assistance Program (SNAP) Employment and Training (E&T) Data and Technical Assistance Grants	10.537	227NV4NVS8069	2,395	-
Supplemental Nutrition Assistance Program (SNAP) Employment and Training (E&T) Data and Technical Assistance Grants	10.537	237NV4NVS8069 202323S806947	3,404	-
			5,799	**-**
Child Nutrition-Technology Innovation Grant	10.541	218NV78827603	49,725	-
COVID-19 Pandemic EBT Food Benefits	10.542	PANDEMIC EBT	191,815,185	-
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	202222W100347	6,819,591	6,042,162
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	202222W100647	8,187,812	-
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	202323W100347	9,907,042	7,937,851
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	202323W100647	23,024,223	-
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	7NV700NV1-20215347	571,893	569,511
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	WIC NON-FED PROGRAM INCOME	15,149	14,983
Passed Through Gretchen Swanson Center for Nutrition WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	208NE000W5414	10,668	-
			48,536,378	**14,564,507**
Child and Adult Care Food Program	10.558	227NVAG3N1199	3,478,372	3,458,405
Child and Adult Care Food Program	10.558	227NVAG3N2020	114,672	114,672
Child and Adult Care Food Program	10.558	227NVAG4N1150	35,626	35,626

See Notes to Schedule of Expenditures of Federal Awards

STATE OF NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass-Through Number	Expenditures	Payments to Subrecipients
Child and Adult Care Food Program	10.558	237NV AG4N1150	78,512	78,512
Child and Adult Care Food Program	10.558	237NVAG3N1099	105,465	-
Child and Adult Care Food Program	10.558	237NVAG3N1199	9,664,498	9,664,498
Child and Adult Care Food Program	10.558	237NVAG3N2020	203,311	203,311
Child and Adult Care Food Program	10.558	7NV300AG4/202121N115047	15,895	-
Child and Adult Care Food Program	10.558	Child & Adult Food Care Program Commodities	123,630	123,630
			13,819,981	**13,678,654**
State Administrative Expenses for Child Nutrition	10.560	227NVAG2N2533	1,222,929	
State Administrative Expenses for Child Nutrition	10.560	237NV AG2N2533	1,141,176	-
State Administrative Expenses for Child Nutrition	10.560	7NV300AG2/202121N253347	8,787	-
			2,372,892	**-**
Food Distribution Program on Indian Reservations	10.567	227NVAG4Q5206	119,369	-
Food Distribution Program on Indian Reservations	10.567	237NV AG4Q5206	179,424	-
Food Distribution Program on Indian Reservations	10.567	Food Distribution Program on Indian Reservations	302,733	302,733
			601,526	**302,733**
WIC Farmers' Market Nutrition Program (FMNP)	10.572	7NV810NV7-202222Y860447	16,291	-
WIC Farmers' Market Nutrition Program (FMNP)	10.572	7NV810NV7-202222Y860747	49,235	-
WIC Farmers' Market Nutrition Program (FMNP)	10.572	7NV810NV7-202323Y860447	31,215	-
WIC Farmers' Market Nutrition Program (FMNP)	10.572	7NV810NV7-202323Y860747	1,580	-
			98,321	**-**
Farm to School Grant Program	10.575	CN-F2S-FY20-SA-NV-01	12,488	-
Senior Farmers Market Nutrition Program	10.576	227NVAG2N8313	128,582	128,582
Senior Farmers Market Nutrition Program	10.576	237NVAG2Y8313	5,286	-
Senior Farmers Market Nutrition Program	10.576	237NVAG2Y8314	2,106	-
			135,974	**128,582**
Child Nutrition Discretionary Grants Limited Availability	10.579	217NVAG7N8103	115,368	102,342
Child Nutrition Discretionary Grants Limited Availability	10.579	227NVAG7N8103	24,334	12,435
Child Nutrition Discretionary Grants Limited Availability	10.579	7NV300AG7-202020N810347	37,509	37,509
Child Nutrition Discretionary Grants Limited Availability	10.579	8NV310159/201918L180330	255,390	-
			432,601	**152,286**
COVID-19 Pandemic EBT Administrative Costs	10.649	202323S900747	2,704,095	-
COVID-19 Pandemic EBT Administrative Costs	10.649	7NV400NV6 202222S900747	3,168,458	-
			5,872,553	**-**

See Notes to Schedule of Expenditures of Federal Awards

STATE OF NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass-Through Number	Expenditures	Payments to Subrecipients
Cooperative Forestry Assistance	10.664	16-DG-11046000-606	293,091	29,224
Cooperative Forestry Assistance	10.664	16-DG-11046000-609	159,962	113,794
Cooperative Forestry Assistance	10.664	17-DG-11046000-611	15,226	15,226
Cooperative Forestry Assistance	10.664	17-DG-11046000-618	41,972	41,972
Cooperative Forestry Assistance	10.664	18-DG-11046000-614	410,680	219,613
Cooperative Forestry Assistance	10.664	18-DG-11046000-617	146,695	132,372
Cooperative Forestry Assistance	10.664	19-DG-11046000-610	9,612	-
Cooperative Forestry Assistance	10.664	19-DG-11046000-612	468,351	39,258
Cooperative Forestry Assistance	10.664	20-DG-11046000-606	113,836	108,843
Cooperative Forestry Assistance	10.664	20-DG-11046000-620	155,234	-
Cooperative Forestry Assistance	10.664	21-DG-11046000-611	176,817	-
Cooperative Forestry Assistance	10.664	21-DG-11046000-620	86,727	86,727
Cooperative Forestry Assistance	10.664	22-DG-11046013-617	92,233	-
			2,170,436	**787,029**
Urban and Community Forestry Program	10.675	21-DG-11046000-619	6,112	-
Forest Legacy Program	10.676	18-DG-11046000-605	9,358	8,106
Forest Legacy Program	10.676	19-DG-11046000-609	2,221	-
			11,579	**8,106**
Forest Health Protection	10.680	18-DG-11046000-611	2,364	-
Forest Health Protection	10.680	19-DG-11046000-603	2,439	-
Forest Health Protection	10.680	19-DG-11046000-614	30,549	-
Forest Health Protection	10.680	20-DG-11046000-604	26,608	22,040
Forest Health Protection	10.680	20-DG-11046000-618	49,428	-
Forest Health Protection	10.680	21-DG-11046000-601	15,654	-
Forest Health Protection	10.680	21-DG-11046000-613	2,979	-
Forest Health Protection	10.680	22-DG-11046013-603	1,837	554
Forest Health Protection	10.680	23-DG-11046013-601	201	-
			132,059	**22,594**
Good Neighbor Authority	10.691	17-GN-11041730-043	13,005	-
Watershed Restoration and Enhancement Agreement Authority	10.693	20-PA-11051900-027	84,291	-

See Notes to Schedule of Expenditures of Federal Awards

STATE OF NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass-Through Number	Expenditures	Payments to Subrecipients
State & Private Forestry Hazardous Fuel Reduction Program	10.697	18-DG-11046000-606	291,203	149,133
State & Private Forestry Hazardous Fuel Reduction Program	10.697	20-DG-11046000-611	101,597	5,523
State & Private Forestry Hazardous Fuel Reduction Program	10.697	21-DG-11046000-607	148,371	148,071
			541,171	**302,727**
State & Private Forestry Cooperative Fire Assistance	10.698	20-CA-11132543-095	4,886	-
State & Private Forestry Cooperative Fire Assistance	10.698	22-DG-11046013-621	19,122	-
			24,008	**-**
Partnership Agreements	10.699	22-CS-11046000-031	1,123	-
Cooperative Fire Protection Agreement	10.703	20-FP-10041700-017	174,124	-
Total Department of Agriculture			**1,820,794,899**	**300,919,864**
Department of Commerce				
Economic Development CLUSTER				
Economic Adjustment Assistance	11.307	ED22SEA3070002	184,191	184,191
COVID-19 Economic Adjustment Assistance	11.307	07-79-07804	1,665,049	623,942
			1,849,240	**808,133**
Total Economic Development CLUSTER			**1,849,240**	**808,133**
State Digital Equity Planning Grants	11.032	32-30-DP348	285,534	-
Broadband Equity, Access, and Deployment Program	11.035	32-20-B090	181,988	-
Total Department of Commerce			**2,316,762**	**808,133**
Department of Defense				
Procurement Technical Assistance for Business Firms	12.002	SP4800-22-2-2224	513,917	-
Conservation and Rehabilitation of Natural Resources on Military Installation	12.005	N62473-20-2-0019	200,000	-
State Memorandum of Agreement Program for the Reimbursement of Technical Services	12.113	W912DY-22-2-0230	331,255	-
Military Construction, National Guard	12.400	W9124X-21-2-2001	1,204,477	-
Military Construction, National Guard	12.400	W9124X-21-2-2002	177,879	-
			1,382,356	**-**
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-16-2-1001	1,493,098	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-16-2-1003	124,896	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-16-2-1004	18,667	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-16-2-1005	5,127	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-20-2-1001	3,007,715	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-20-2-1002	140,450	-

See Notes to Schedule of Expenditures of Federal Awards

STATE OF NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass-Through Number	Expenditures	Payments to Subrecipients
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-20-2-1003	328,411	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-20-2-1004	225	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-21-2-1001	2,221,022	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-21-2-1002	5,655	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-21-2-1003	456,841	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-21-2-1004	11,794	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-21-2-1014	2,203	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-21-2-1021	301,499	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-22-2-1001	2,672,665	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-22-2-1002	266,413	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-22-2-1003	1,177,415	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-22-2-1004	55,909	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-22-2-1005	214,994	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-22-2-1007	12,086	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-22-2-1010	30,076	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-22-2-1011	24,420	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-22-2-1014	24,517	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-22-2-1021	486,470	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-22-2-1023	256,451	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-22-2-1024	446,055	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-22-2-1040	58,946	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-22-2-1041	106,186	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-23-2-1001	3,957,738	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-23-2-1002	285,499	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-23-2-1003	1,306,586	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-23-2-1004	133,354	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-23-2-1005	547,511	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-23-2-1007	63,135	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-23-2-1010	87,467	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-23-2-1011	72,968	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-23-2-1014	48,515	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-23-2-1021	940,720	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-23-2-1023	780,236	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-23-2-1024	1,170,545	-

See Notes to Schedule of Expenditures of Federal Awards

STATE OF NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass- Through Number	Expenditures	Payments to Subrecipients
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-23-2-1040	183,671	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W9124X-23-2-1041	278,008	-
			23,806,159	**-**
National Guard ChalleNGe Program	12.404	W9124X-19-2-4001	2,809,201	-
National Guard ChalleNGe Program	12.404	W9124X-21-2-4001	311,309	-
National Guard ChalleNGe Program	12.404	W9124X-21-2-4002	418,201	-
National Guard ChalleNGe Program	12.404	W9124X-22-2-4002	371,408	-
National Guard ChalleNGe Program	12.404	W9124X-23-2-4002	365,618	-
National Guard ChalleNGe Program	12.404	W9124X-23-2-4003	479,313	-
			4,755,050	**-**
Total Department of Defense			**30,988,737**	**-**
Department of Housing and Urban Development				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-08-MN-32-0001	24,708	24,218
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-18-DC-32-0001	114,041	114,041
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-19-DC-32-0001	398,471	390,093
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-20-DC-32-001	250,035	238,977
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-20-RH-32-0001	2,500	-
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-21-DC-32-0001	808,757	688,037
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-22-DC-32-0001	128,782	67,578
COVID-19 Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-20-DW-32-0001	6,397,400	6,397,400
			8,124,694	**7,920,344**
Emergency Solutions Grant Program	14.231	E-22-DC-32-0001	220,895	220,895
Emergency Solutions Grant Program	14.231	E20-DC-32-0001	13,588	13,588
Emergency Solutions Grant Program	14.231	E21-DC-32-0001	128,252	128,252
COVID-19 Emergency Solutions Grant Program	14.231	E-20-DW-32-0001	2,849,260	2,849,260
			3,211,995	**3,211,995**
Home Investment Partnerships Program	14.239	M16-SG320100	22,078	22,078
Home Investment Partnerships Program	14.239	M18-SG320100	1,579,745	1,503,816
Home Investment Partnerships Program	14.239	M19-SG320100	798,327	629,076
Home Investment Partnerships Program	14.239	M20-SG320100	457,701	457,701
Home Investment Partnerships Program	14.239	M21-SG320100	11,111	11,111
Home Investment Partnerships Program	14.239	M21-SP320100	63,835	-
			2,932,797	**2,623,782**

See Notes to Schedule of Expenditures of Federal Awards

STATE OF NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass-Through Number	Expenditures	Payments to Subrecipients
Housing Opportunities for Persons with AIDS	14.241	NVH19-F999	163	-
Housing Opportunities for Persons with AIDS	14.241	NVH20-F999	73,985	73,853
Housing Opportunities for Persons with AIDS	14.241	NVH21-F999	119,522	119,292
Housing Opportunities for Persons with AIDS	14.241	NVH22-F999	298,382	285,080
			492,052	**478,225**
Continuum of Care Program	14.267	NV0005L9T002114	26,985	-
Continuum of Care Program	14.267	NV0018L9T012114	93,128	-
Continuum of Care Program	14.267	NV0023L9T022012	28,240	28,240
Continuum of Care Program	14.267	NV0023L9T022113	38,979	38,979
Continuum of Care Program	14.267	NV005L9T002013	9,042	-
Continuum of Care Program	14.267	NV0152L9T022100	27,304	-
			223,678	**67,219**
Housing Trust Fund	14.275	F17-SG320100	10,000	10,000
Housing Trust Fund	14.275	F18-SG320100	141,345	-
Housing Trust Fund	14.275	F19-SG320100	68,555	9,000
Housing Trust Fund	14.275	F20-SG320100	1,004,253	1,000,000
Housing Trust Fund	14.275	F21-SG320100	4,119,100	4,119,100
			5,343,253	**5,138,100**
Total Department of Housing and Urban Development			**20,328,469**	**19,439,665**
Department of the Interior				
Fish and Wildlife CLUSTER				
Sport Fish Restoration	15.605	F15AF00465	700,000	-
Sport Fish Restoration	15.605	F20AF11652	69,978	69,978
Sport Fish Restoration	15.605	F22AF01232	1,178,538	-
Sport Fish Restoration	15.605	F22AF01420	273,936	-
Sport Fish Restoration	15.605	F22AF01421	63,613	-
Sport Fish Restoration	15.605	F22AF01720-00	400,632	-
Sport Fish Restoration	15.605	F22AF02996-00	1,182,550	-
Sport Fish Restoration	15.605	F22AF03031-00	1,353,489	-
Sport Fish Restoration	15.605	F22AF03198-00	35,405	169
Sport Fish Restoration	15.605	F22AF03382-00	17,221	-
Sport Fish Restoration	15.605	F22AF03513-00	338,585	-
			5,613,947	**70,147**

See Notes to Schedule of Expenditures of Federal Awards

STATE OF NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass-Through Number	Expenditures	Payments to Subrecipients
Wildlife Restoration and Basic Hunter Education	15.611	F19AF00385	6,042	6,042
Wildlife Restoration and Basic Hunter Education	15.611	F20AF11076	342,661	-
Wildlife Restoration and Basic Hunter Education	15.611	F20AF11649	342,190	-
Wildlife Restoration and Basic Hunter Education	15.611	F21AF03669	58,911	58,911
Wildlife Restoration and Basic Hunter Education	15.611	F21AF02612-00	16,874	16,874
Wildlife Restoration and Basic Hunter Education	15.611	F21AF02830	25,725	25,725
Wildlife Restoration and Basic Hunter Education	15.611	F21AF03763-00	286,319	286,319
Wildlife Restoration and Basic Hunter Education	15.611	F22AF03198-00	672,689	3,215
Wildlife Restoration and Basic Hunter Education	15.611	F22AF03200	133,424	-
Wildlife Restoration and Basic Hunter Education	15.611	F22AF03202-00	1,272,346	-
Wildlife Restoration and Basic Hunter Education	15.611	F22AF03221-00	1,133,730	-
Wildlife Restoration and Basic Hunter Education	15.611	F22AF03375-00	2,432,319	153,472
Wildlife Restoration and Basic Hunter Education	15.611	F22AF03382-00	43,371	-
Wildlife Restoration and Basic Hunter Education	15.611	F22AF03507-00	5,190,751	179,999
Wildlife Restoration and Basic Hunter Education	15.611	F22AF03513-00	1,918,647	-
Wildlife Restoration and Basic Hunter Education	15.611	F22AF03599-00	491,383	106,875
Wildlife Restoration and Basic Hunter Education	15.611	F23AF00030-00	4,526,193	-
Wildlife Restoration and Basic Hunter Education	15.611	F23AF01312	191,810	-
			19,085,385	**837,432**
Total Fish and Wildlife CLUSTER			**24,699,332**	**907,579**
Good Neighbor Authority	15.015	L22AC00573-00	54,488	-
Good Neighbor Authority	15.015	L22AC00630-00	397,722	-
			452,210	**-**
Distribution of Receipts to State and Local Governments	15.227	TAYLOR GRAZING	206,317	206,317
Fish, Wildlife and Plant Conservation Resource Management	15.231	L17AC00384	92,128	-
Southern Nevada Public Land Management	15.235	L16AC00040	82,654	-
Environmental Quality and Protection	15.236	L21AC10403-00	200,000	-
Environmental Quality and Protection	15.236	L21AC10510	163,429	46,825
			363,429	**46,825**
Plant Conservation and Restoration Management	15.245	L19AC00148	15,774	-
Plant Conservation and Restoration Management	15.245	L20AC00104	19,806	-
Plant Conservation and Restoration Management	15.245	L20AC00315	48,384	-
			83,964	**-**

See Notes to Schedule of Expenditures of Federal Awards

STATE OF NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass-Through Number	Expenditures	Payments to Subrecipients
Wildlife Resource Management	15.247	L20AC00282	166,929	-
Wildlife Resource Management	15.247	L20AC00519	129,252	-
Wildlife Resource Management	15.247	L21AC10476	1,086	-
Wildlife Resource Management	15.247	L21AC10487	622,697	-
Wildlife Resource Management	15.247	L21AC10527	7,150	-
Wildlife Resource Management	15.247	L21AC10528	11,317	-
Wildlife Resource Management	15.247	L21AC10566	30,000	-
Wildlife Resource Management	15.247	NFWF 67166	100,000	-
			1,068,431	**-**
Providing Water to At-Risk Natural Desert Terminal Lakes	15.508	R21AP10526-00	63,249	-
Fish and Wildlife Coordination Act	15.517	R19AC00010	211,962	-
Fish and Wildlife Coordination Act	15.517	R20AP00268	32,314	-
Fish and Wildlife Coordination Act	15.517	R20AP00334	28,910	-
			273,186	**-**
Fish and Wildlife Management Assistance	15.608	F17AC00701	37,302	-
Fish and Wildlife Management Assistance	15.608	F20AP00186	806	-
Fish and Wildlife Management Assistance	15.608	F20AP12165	24,152	-
Fish and Wildlife Management Assistance	15.608	F21AP03204	68,967	68,967
Fish and Wildlife Management Assistance	15.608	F21AP03205	37,397	-
Fish and Wildlife Management Assistance	15.608	F22AP00007	131,694	-
Fish and Wildlife Management Assistance	15.608	F22AP02738-00	38,692	-
			339,010	**68,967**
Cooperative Endangered Species Conservation Fund	15.615	F18AP00714	594	-
Cooperative Endangered Species Conservation Fund	15.615	F19AP00409	3,667	-
Cooperative Endangered Species Conservation Fund	15.615	F21AP00230F21AP0023000	52,339	47,347
Cooperative Endangered Species Conservation Fund	15.615	F21AP04157-00	3,395	2,830
Cooperative Endangered Species Conservation Fund	15.615	F22AP03632-00	22,348	-
Cooperative Endangered Species Conservation Fund	15.615	F22AP03769-00	47,000	-
Cooperative Endangered Species Conservation Fund	15.615	F22AP03770-00	134,959	-
Cooperative Endangered Species Conservation Fund	15.615	F22AP03771-00	93,251	-
			357,553	**50,177**
Partners for Fish and Wildlife	15.631	F17AC00609	163,771	50,143

See Notes to Schedule of Expenditures of Federal Awards

STATE OF NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass- Through Number	Expenditures	Payments to Subrecipients
State Wildlife Grants	15.634	F22AF01825	809,986	1,877
State Wildlife Grants	15.634	F22AF01893	572,747	-
State Wildlife Grants	15.634	F22AF03382-00	2,764	-
			1,385,497	**1,877**
National Wildlife Refuge System Enhancements	15.654	F21AC01719-00	12,935	-
National Wildlife Refuge System Enhancements	15.654	F22AC02835	11,255	-
			24,190	**-**
Endangered Species Recovery Implementation	15.657	F21AC00469	7,397	-
Endangered Species Recovery Implementation	15.657	F22AC02218-00	15,172	-
			22,569	**-**
Candidate Species Conservation	15.660	F20AC11691	6,000	-
Candidate Species Conservation	15.660	F22AC00869	33,965	-
			39,965	**-**
Fish and Wildlife Coordination and Assistance	15.664	F22AC02927-00	79,126	-
Adaptive Science	15.670	F20AP00115	61,132	50,000
Adaptive Science	15.670	F21AC01451	76,336	32,640
Adaptive Science	15.670	F21AC03183	7,614	-
Adaptive Science	15.670	F22AC02413-00	29,686	-
			174,768	**82,640**
White-nose Syndrome National Response Implementation	15.684	F21AP04153	10,299	-
White-nose Syndrome National Response Implementation	15.684	F23AP00018-00	39,095	-
			49,394	**-**
Historic Preservation Fund Grants-In-Aid	15.904	P20AF00033	51,077	-
Historic Preservation Fund Grants-In-Aid	15.904	P21AF11033	446,541	60,567
Historic Preservation Fund Grants-In-Aid	15.904	P22AF01139	138,695	23,691
			636,313	**84,258**
National Park Service Conservation, Protection, Outreach, and Education	15.954	P19AC00387	270,018	-
Total Department of the Interior			**30,927,074**	**1,498,783**

See Notes to Schedule of Expenditures of Federal Awards

STATE OF NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass- Through Number	Expenditures	Payments to Subrecipients
Department of Justice				
Sexual Assault Services Formula Program	16.017	2019-KF-AX-0019	4,748	4,748
Sexual Assault Services Formula Program	16.017	2020-KF-AX-0029	6,083	6,083
Sexual Assault Services Formula Program	16.017	15JOVW-21-GG-00470-SASP	117,229	116,108
Sexual Assault Services Formula Program	16.017	15JOVW-22-GG-00376-SASP	208,685	180,372
			336,745	**307,311**
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0150	2,107,869	1,665,632
Community-Based Violence Prevention Program	16.123	2019-MU-FX-K001	304,683	292,140
Antiterrorism Emergency Reserve	16.321	2019-V7-GX-0001	1,649,800	1,347,869
Enhanced Training and Services to End Violence and Abuse of Women Later In Life	16.528	15JOVW-21-GK-0038-ALLX	45,897	5,541
Juvenile Justice and Delinquency Prevention	16.540	15PJDP-21-GG-03248-TITL	296,690	273,026
Juvenile Justice and Delinquency Prevention	16.540	15PJDP-21-GG-04732-TITL	96,540	64,582
Juvenile Justice and Delinquency Prevention	16.540	2018-JX-FX-0040	45,043	45,043
Juvenile Justice and Delinquency Prevention	16.540	2019-JX-FX-0014	78,762	51,575
Juvenile Justice and Delinquency Prevention	16.540	2020-JX-FX-0036	143,184	20,976
			660,219	**455,202**
National Criminal History Improvement Program (NCHIP)	16.554	2020-RU-BX-K023	81,094	-
National Criminal History Improvement Program (NCHIP)	16.554	I 5PBJS-21-GK-00179-NCHI	262,925	-
			344,019	**-**
Crime Victim Assistance	16.575	2018-V2-GX-0076	375	375
Crime Victim Assistance	16.575	2019-V2-GX-0021	3,982,579	3,968,192
Crime Victim Assistance	16.575	2020-V2-GX-0049	11,193,108	10,566,357
			15,176,062	**14,534,924**
Crime Victim Compensation	16.576	15POVC-21-GG-00445-COMP	100	-
Crime Victim Compensation	16.576	15POVC-22-AG-01573-COMP	2,252,000	-
Crime Victim Compensation	16.576	15POVC-22-GG-00552-COMP	1,759,700	-
			4,011,800	**-**
Crime Victim Assistance/Discretionary Grants	16.582	2019-V3-GX-0143	31,769	-
Crime Victim Assistance/Discretionary Grants	16.582	2020-V3-GX-0049	48,450	-
			80,219	**-**
Violence Against Women Formula Grants	16.588	15JOVW-21-GG-00539-STOP	289,561	265,822
Violence Against Women Formula Grants	16.588	15JOVW-22-GG-00442-STOP	999,203	861,261
Violence Against Women Formula Grants	16.588	2018-WF-AX-0004	9,786	9,786

See Notes to Schedule of Expenditures of Federal Awards

STATE OF NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass-Through Number	Expenditures	Payments to Subrecipients
Violence Against Women Formula Grants	16.588	2019-WF-AX-0045	99,542	99,542
			1,398,092	**1,236,411**
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	2018-WE-AX-0023	88,329	55,951
Residential Substance Abuse Treatment for State Prisoners	16.593	2018-J2-BX-0016	199,161	46,180
Residential Substance Abuse Treatment for State Prisoners	16.593	2019-J2-BX-0012	74,489	34,906
			273,650	**81,086**
Bulletproof Vest Partnership Grant	16.607	2020BOBX20021057	4,739	4,739
Bulletproof Vest Partnership Grant	16.607	2021BOBX210215833	312	-
			5,051	**4,739**
Project Safe Neighborhoods	16.609	2020-GP-BX-0032	84,050	72,929
Public Safety Partnership and Community Policing Grants	16.710	2019HPWX0011	7,704	-
PREA Program: Strategic Support for PREA Implementation	16.735	15PBJA-21-GG-02775-PREA	515	-
PREA Program: Strategic Support for PREA Implementation	16.735	2019-RP-BX-0004	26,105	-
			26,620	**-**
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-22-GG-00625-MUMU	234,941	138,822
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-23-GG-00025-BSCI	6,543	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA21GG00252MUMU	704,698	603,403
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-MU-BX-0216	250	250
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-MU-BX-0077	247,184	90,949
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-MU-BX-0028	242,844	126,095
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-XT-BX-0025	6,598	-
			1,443,058	**959,519**
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	15PBJA-21-GG-02916-COVE	254,203	250,218
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	15PBJA-22-GG-02007-COVE	1,484	1,484
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	2019-CD-BX-0036	18,000	18,000
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	2020-CD-BX-0051	63,344	60,414
			337,031	**330,116**
Support for Adam Walsh Act Implementation Grant Program	16.750	2019-AW-BX-0023	182,606	-
Support for Adam Walsh Act Implementation Grant Program	16.750	2020-AW-BX-0060	14,939	-
			197,545	**-**
Congressionally Recommended Awards	16.753	15PBJA-22-GG-00154-BRND	14,796	-
Second Chance Act Reentry Initiative	16.812	2018-RQ-BX-0009	3,891	-

See Notes to Schedule of Expenditures of Federal Awards

STATE OF NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass- Through Number	Expenditures	Payments to Subrecipients
NICS Act Record Improvement Program	16.813	2018-NS-BX-K005	72,301	-
NICS Act Record Improvement Program	16.813	2020-NS-BX-K014	312,895	-
			385,196	**-**
Passed Through Community Resources For Justice, Inc. Justice Reinvestment Initiative	16.827	2019-ZB-BX-K003	5,352	-
National Sexual Assault Kit Initiative	16.833	2017-AK-BX-0017	82,146	43,689
National Sexual Assault Kit Initiative	16.833	2018-AK-BX-0005	132,432	111,603
National Sexual Assault Kit Initiative	16.833	2019-AK-BX-0007	321,479	304,950
National Sexual Assault Kit Initiative	16.833	2020-AK-BX-0037	110,781	108,954
			646,838	**569,196**
Passed Through Bureau of Justice Assistance U.S. Department of Justice Body Worn Camera Policy and Implementation	16.835	29268425	23,085	-
Comprehensive Opioid, Stimulant, and other Substances Use Program	16.838	15PBJA-21-GG-04508-COAP	73,463	17,199
Comprehensive Opioid, Stimulant, and other Substances Use Program	16.838	2017-AR-BX-K003	158,684	91,840
			232,147	**109,039**
STOP School Violence	16.839	15PBJA-22-GG-04645-STOP	39,486	-
STOP School Violence	16.839	2018-YS-BX-0046	36,394	-
STOP School Violence	16.839	2018-YS-BX-0142	185,231	13,712
			261,111	**13,712**
Equitable Sharing Program	16.922	DPS FEDERAL FORFEITURES	124,957	-
Equitable Sharing Program	16.922	Justice Forfeiture Gaming	291,618	-
			416,575	**-**
Total Department of Justice			**30,567,434**	**22,041,317**
Department of Labor				
Employment Service CLUSTER				
Employment Service/Wagner-Peyser Funded Activities	17.207	ES-35356-20-55-A-32-1	1,420,556	-
Employment Service/Wagner-Peyser Funded Activities	17.207	ES-36767-21-55-A-32	5,940,528	-
Employment Service/Wagner-Peyser Funded Activities	17.207	ES-38743-22-55-A-32	326,262	-
			7,687,346	**-**
Jobs for Veterans State Grants	17.801	DV-35760-21-55-5-32	629,078	-
Jobs for Veterans State Grants	17.801	DV-37885-22-55-5-32	1,543,892	-
			2,172,970	**-**
Total Employment Service CLUSTER			**9,860,316**	**-**

See Notes to Schedule of Expenditures of Federal Awards

STATE OF NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass- Through Number	Expenditures	Payments to Subrecipients
WIOA CLUSTER				
WIOA Adult Program	17.258	23A55AA036332-01	1,923,932	1,680,241
WIOA Adult Program	17.258	23A55AA038542-01	3,689,383	3,688,495
WIOA Adult Program	17.258	AA-34781-20-55-A-32	404,597	-
			6,017,912	**5,368,736**
WIOA Youth Activities	17.259	23A55AA036332-01	8,085,459	7,205,789
WIOA Youth Activities	17.259	23A55AA038542-01	6,429,723	5,915,993
WIOA Youth Activities	17.259	AA-34781-20-55-A-32	310,384	-
			14,825,566	**13,121,782**
WIOA Dislocated Worker Formula Grants	17.278	23A55AA036332-01	9,684,131	8,063,046
WIOA Dislocated Worker Formula Grants	17.278	23A55AA038542-01	8,101,651	8,044,255
WIOA Dislocated Worker Formula Grants	17.278	AA-34781-20-55-A-32	1,964,715	-
			19,750,497	**16,107,301**
Total WIOA CLUSTER			**40,593,975**	**34,597,819**
Labor Force Statistics	17.002	LM-36118-22-75-J-32	93,081	-
Labor Force Statistics	17.002	LM-38435-23-75-J-32	728,340	-
			821,421	**-**
Compensation and Working Conditions	17.005	OS384182375J32-01-04	78,582	-
Unemployment Insurance	17.225	23A55UI039335-01	17,701,687	-
Unemployment Insurance	17.225	23A60UI037992-01-03	84,488	-
Unemployment Insurance	17.225	UI EUC	5,942	-
Unemployment Insurance	17.225	UI Trust Fund	314,002,298	-
Unemployment Insurance	17.225	UI-34071-20-55-A-32	1,185,992	-
Unemployment Insurance	17.225	UI-35957-21-60-A-32	2,759,176	-
Unemployment Insurance	17.225	UI-37236-22-55-A-32	7,667,213	-
COVID-19 Unemployment Insurance	17.225	23A55UI037077-01	1,676,220	-
COVID-19 Unemployment Insurance	17.225	23A55UI038513-01	842,327	-
COVID-19 Unemployment Insurance	17.225	UI-38252-22-55-A-32	1,845,206	-
COVID-19 Unemployment Insurance	17.225	23A55UI034728-01	11,485,762	-
COVID-19 Unemployment Insurance	17.225	FAMILIES FIRST	658,042	-
COVID-19 Unemployment Insurance	17.225	UI EXTENDED BENEFITS	200,447	-
COVID-19 Unemployment Insurance	17.225	UI FPUC	4,095,736	-
COVID-19 Unemployment Insurance	17.225	UI PEUC	5,511,882	-

See Notes to Schedule of Expenditures of Federal Awards

STATE OF NEVADA
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FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass- Through Number	Expenditures	Payments to Subrecipients
COVID-19 Unemployment Insurance	17.225	UIPL 18-20.	6,117	-
			369,728,535	**-**
Senior Community Service Employment Program	17.235	AD-36242-21-60-A-32	132,999	132,999
Senior Community Service Employment Program	17.235	AD-38285-22-60-A-32	183,443	131,446
			316,442	**264,445**
Trade Adjustment Assistance	17.245	TA-36062-21-55-A-32	290,388	-
Trade Adjustment Assistance	17.245	TA-38691-22-55-A-32	5,110	-
			295,498	**-**
H1-B Job Training Grants	17.268	HG-35887-21-60-A-32	453,874	-
Work Opportunity Tax Credit Program (WOTC)	17.271	WT-37929-22-55-A-32	96,057	-
Work Opportunity Tax Credit Program (WOTC)	17.271	WT-39411-23-55-A-32	98,830	-
			194,887	**-**
Temporary Labor Certification for Foreign Workers	17.273	FL-36008-21-55-A-32	145,338	-
Temporary Labor Certification for Foreign Workers	17.273	FL-38072-22-55-A-32	104,784	-
			250,122	**-**
WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277	DW-34818-20-60-A-32	706,819	673,110
WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277	DW-35240-20-60-A-32	1,501,556	1,481,268
			2,208,375	**2,154,378**
Registered Apprencticeship	17.285	AP-35116-20-60-A-32	35,259	-
Registered Apprencticeship	17.285	AP-36518-21-60-A-32	409,772	-
			445,031	**-**
Occupational Safety and Health State Program	17.503	SP-36941-SP2	3,317	-
Occupational Safety and Health State Program	17.503	SP-39082-SP3	1,707,989	-
			1,711,306	**-**
Consultation Agreements	17.504	CS39040CS3	662,600	-
Mine Health and Safety Grants	17.600	23R60MS000002-01-00	382,136	-
Mine Health and Safety Grants	17.600	MS-TEMP-22-55-32	35,357	-
			417,493	**-**
Total Department of Labor			**428,038,457**	**37,016,642**

See Notes to Schedule of Expenditures of Federal Awards

STATE OF NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass- Through Number	Expenditures	Payments to Subrecipients
Department of Transportation				
FMCSA CLUSTER				
Motor Carrier Safety Assistance	20.218	69A3602130613MCG0NV	308,595	-
Motor Carrier Safety Assistance	20.218	69A3602230819MCG0NV	2,076,026	-
			2,384,621	**-**
Total FMCSA CLUSTER			**2,384,621**	**-**
Federal Transit CLUSTER				
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	NV-2020-001-01	605,360	605,360
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	NV-2021-036-00	1,615,017	1,615,017
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	NV-2022-001-00	529,320	529,320
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	NV-2022-002-00	22,145	22,145
			2,771,842	**2,771,842**
Total Federal Transit CLUSTER			**2,771,842**	**2,771,842**
Highway Safety CLUSTER				
State and Community Highway Safety	20.600	69A37523300004020NV0	1,378,196	655,117
State and Community Highway Safety	20.600	69A37S21300004020NVO	1,699,887	859,131
			3,078,083	**1,514,248**
Incentive Grant Program to Prohibit Racial Profiling	20.611	69A37522300001906NV0	203,504	203,504
National Priority Safety Programs	20.616	18X920405CNV20	85,552	38,035
National Priority Safety Programs	20.616	18X920405FNV19	1,992	-
National Priority Safety Programs	20.616	69A3752230000405BNVH	160,000	32,015
National Priority Safety Programs	20.616	69A3752230000405CNV0	3,700	-
National Priority Safety Programs	20.616	69A3752230000405DNVM	384,274	191,592
National Priority Safety Programs	20.616	69A3752230000405HNV0	169,359	161,048
National Priority Safety Programs	20.616	69A37S213000040S0NVM	405,063	239,206
National Priority Safety Programs	20.616	69A37S213000040SBNVH	247,646	137,730
National Priority Safety Programs	20.616	69A37S213000040SCNVO	244,293	28,500
National Priority Safety Programs	20.616	69A37SZ130000405HNVO	93,069	92,959
			1,794,948	**921,085**
Total Highway Safety CLUSTER			**5,076,535**	**2,638,837**
Transit Services Programs CLUSTER				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NV-2021-032-00	23,479	23,479
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NV-2021-38-00	147,117	147,117

See Notes to Schedule of Expenditures of Federal Awards

STATE OF NEVADA
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FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass- Through Number	Expenditures	Payments to Subrecipients
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NV-2021-39-00	19,943	19,943
			190,539	**190,539**
Total Transit Services Programs CLUSTER			**190,539**	**190,539**
Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	20.106	3-32-0000-013-2023	2,198	-
Highway Planning and Construction	20.205	20205	417,269,417	37,699,705
COVID-19 Highway Planning and Construction	20.205	20205 COVID	13,582,248	516,099
			430,851,665	**38,215,804**
Recreational Trails Program	20.219	NRTP-013	102,121	-
Recreational Trails Program	20.219	NRTP019	394,237	394,237
Recreational Trails Program	20.219	NRTP020	741,779	582,696
Recreational Trails Program	20.219	NRTP021	57,632	57,632
Recreational Trails Program	20.219	NRTP022	261,934	261,934
			1,557,703	**1,296,499**
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	NV-2016-014-00	190,023	190,023
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	NV-2017-016-07-00	105,312	105,312
			295,335	**295,335**
Formula Grants for Rural Areas and Tribal Transit Program	20.509	NV-18-X039	69,400	69,400
Formula Grants for Rural Areas and Tribal Transit Program	20.509	NV-2017-017-06-00	2,445	2,445
Formula Grants for Rural Areas and Tribal Transit Program	20.509	NV-2017-017-07-00	5,868	5,868
Formula Grants for Rural Areas and Tribal Transit Program	20.509	NV-2017-017-11-00	1,660	1,660
Formula Grants for Rural Areas and Tribal Transit Program	20.509	NV-2018-014-00	791,048	790,893
Formula Grants for Rural Areas and Tribal Transit Program	20.509	NV-2019-022-00	1,831,697	1,831,697
Formula Grants for Rural Areas and Tribal Transit Program	20.509	NV-2021-004-00	3,877,767	3,705,903
Formula Grants for Rural Areas and Tribal Transit Program	20.509	NV-2021-031-00	2,569,818	2,445,080
Formula Grants for Rural Areas and Tribal Transit Program	20.509	NV-2021-034-00	742,971	742,971
COVID-19 Formula Grants for Rural Areas and Tribal Transit Program	20.509	NV-2020-008-00	614,717	324,118
			10,507,391	**9,920,035**
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	18X9205464NV20	350,701	350,701
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	69A37S21300001640NVA	1,391,178	1,157,195
			1,741,879	**1,507,896**
National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements	20.614	693JJ92250149	77,475	-
Pipeline Safety Program State Base Grant	20.700	693JK32230026PGSB	641,624	-

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STATE OF NEVADA
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Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass- Through Number	Expenditures	Payments to Subrecipients
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	693JK31940028HMEP	50,455	48,883
PHMSA Pipeline Safety Program One Call Grant	20.721	693JK32140025PSOC	12,233	-
PHMSA Pipeline Safety Program One Call Grant	20.721	693JK32240016PSOC	35,078	-
			47,311	**-**
Total Department of Transportation			**456,196,573**	**56,885,670**
Department of Treasury				
Equitable Sharing	21.016	TREASURY	7,808	-
Equitable Sharing	21.016	US TREASURY FORFEITURE GAMING	169,516	-
			177,324	**-**
COVID-19 Coronavirus Relief Fund	21.019	CARES ACT 2020	383,820	-
COVID-19 Emergency Rental Assistance Program	21.023	ERAP 2 GRANT	59,274,542	59,274,542
COVID-19 Emergency Rental Assistance Program	21.023	ERAP GRANT	16,128,941	16,128,941
			75,403,483	**75,403,483**
COVID-19 Homeowner Assistance Fund	21.026	HOMEOWNER ASSISTANCE FUND	24,183,451	24,183,451
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	ARPA FISCAL RECOVERY FUNDS	313,868,647	176,683,745
COVID-19 Coronavirus Capital Projects Fund	21.029	CORONAVIRUS CAPITAL PROJECTS FUND	477,977	-
Total Department of Treasury			**414,494,702**	**276,270,679**
National Endowment for the Arts				
Promotion of the Arts Partnership Agreements	45.025	1863371-61-20	13,600	13,600
Promotion of the Arts Partnership Agreements	45.025	1886912-61-21	167,531	126,932
Promotion of the Arts Partnership Agreements	45.025	1903765-61-22	769,247	441,881
			950,378	**582,413**
Grants to States	45.310	LS-249975-OLS-21	801,945	399,079
Grants to States	45.310	LS-252472-OLS-22	957,263	195,734
COVID-19 Grants to States	45.310	LS-250224-OLS-21	1,415,941	1,196,442
			3,175,149	**1,791,255**
Total National Endowment for the Arts			**4,125,527**	**2,373,668**
Small Business Administration				
State Trade Expansion	59.061	SBAHQ20IT0016	102,276	102,276
Total Small Business Administration			**102,276**	**102,276**

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STATE OF NEVADA
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Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass-Through Number	Expenditures	Payments to Subrecipients
Department of Veterans Affairs				
VA Grants for Adaptive Sports Programs for Disabled Veterans and Disabled Members of the Armed Forces	64.034	SPORTS-20-090	14,910	14,910
VA Grants for Adaptive Sports Programs for Disabled Veterans and Disabled Members of the Armed Forces	64.034	SPORTS-21-084	22,357	22,357
VA Grants for Adaptive Sports Programs for Disabled Veterans and Disabled Members of the Armed Forces	64.034	SPORTS-22-099	10,735	10,735
			48,002	**48,002**
Veterans Transportation Program	64.035	702-2021-HRTG-015	14,921	14,921
Veterans Transportation Program	64.035	702-2022-HRTG-015	36,456	36,456
			51,377	**51,377**
Veterans Cemetery Grants Program	64.203	NV-19-15	181,759	-
Veterans Cemetery Grants Program	64.203	NV-19-16	2,376,592	-
			2,558,351	**-**
Total Department of Veterans Affairs			**2,657,730**	**99,379**
Environmental Protection Agency				
Clean Water State Revolving Fund (CWSRF) CLUSTER				
Clean Water State Revolving Fund	66.458	4C-98T49601-0	6,557,220	-
Clean Water State Revolving Fund	66.458	CS-32000121-0	662,885	-
Clean Water State Revolving Fund	66.458	CS-32000122-0	5,491,192	-
			12,711,297	**-**
Total Clean Water State Revolving Fund (CWSRF) CLUSTER			**12,711,297**	**-**
Drinking Water State Revolving Fund (DWSRF) CLUSTER				
Drinking Water State Revolving Fund	66.468	FS99996020-0	317,235	287,745
Drinking Water State Revolving Fund	66.468	FS99996021-0	5,013,300	604,106
Drinking Water State Revolving Fund	66.468	FS99996022-0	1,881,109	39,445
			7,211,644	**931,296**
Total Drinking Water State Revolving Fund (DWSRF) CLUSTER			**7,211,644**	**931,296**
Diesel Emissions Reduction Act (DERA) State Grants	66.040	DS-99T94101	155,813	-
Multipurpose Grants to States and Tribes	66.204	AA-98T17701	13,118	-
Multipurpose Grants to States and Tribes	66.204	AA-98T29201	21,324	-
Multipurpose Grants to States and Tribes	66.204	AA-99T60401	4,893	-
Multipurpose Grants to States and Tribes	66.204	AA-99T99201	23,387	12,852
			62,722	**12,852**

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STATE OF NEVADA
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Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass-Through Number	Expenditures	Payments to Subrecipients
Water Pollution Control State, Interstate, and Tribal Program Support	66.419	I-00T20618	15,250	-
Water Pollution Control State, Interstate, and Tribal Program Support	66.419	I-00T20621	174,759	-
Water Pollution Control State, Interstate, and Tribal Program Support	66.419	I-00T20622	43,445	-
Water Pollution Control State, Interstate, and Tribal Program Support	66.419	I-00T20623	15,941	-
Water Pollution Control State, Interstate, and Tribal Program Support	66.419	I-97933621	644,224	64,220
Water Pollution Control State, Interstate, and Tribal Program Support	66.419	I-97933721	186,944	-
			1,080,563	**64,220**
State Public Water System Supervision	66.432	F-00910522	885,550	80,188
State Underground Water Source Protection	66.433	G-00945623	92,000	-
Voluntary School and Child Care Lead Testing and Reduction Grant Program (SDWA 1464(d))	66.444	M1-99T87901	64,420	-
Water Quality Management Planning	66.454	C6-97965922	15,765	15,765
Water Quality Management Planning	66.454	C6-97965923-0	79,000	-
			94,765	**15,765**
Nonpoint Source Implementation Grants	66.460	C9-97908118	30,139	29,843
Nonpoint Source Implementation Grants	66.460	C9-97908119	196,876	80,224
Nonpoint Source Implementation Grants	66.460	C9-97908120	211,374	174,899
Nonpoint Source Implementation Grants	66.460	C9-97908121	382,421	178,713
Nonpoint Source Implementation Grants	66.460	C9-97908122	507,139	502,200
			1,327,949	**965,879**
Performance Partnership Grants	66.605	97958822	1,828,996	-
Performance Partnership Grants	66.605	BG 00T87021 0	324,419	-
			2,153,415	**-**
Environmental Information Exchange Network Grant Program and Related Assistance	66.608	OS-83969201	47,539	-
Environmental Information Exchange Network Grant Program and Related Assistance	66.608	OS-84012401	123,735	-
Environmental Information Exchange Network Grant Program and Related Assistance	66.608	OS-883969201	188,500	-
			359,774	**-**
Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	66.802	98T38001	145,458	-
Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	66.802	98T44201	126,330	-
			271,788	**-**
Underground Storage Tank (UST) Prevention, Detection, and Compliance Program	66.804	99T86701	390,000	-
Leaking Underground Storage Tank Trust Fund Corrective Action Program	66.805	99T86801	474,000	-

See Notes to Schedule of Expenditures of Federal Awards

STATE OF NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass- Through Number	Expenditures	Payments to Subrecipients
State and Tribal Response Program Grants	66.817	4W-98T50401-0	70,136	-
State and Tribal Response Program Grants	66.817	98T37601	611,886	-
			682,022	**-**
Total Environmental Protection Agency			**28,017,722**	**2,070,200**
Department of Energy				
State Energy Program	81.041	DE-EE0009482	561,824	-
State Energy Program	81.041	DE-EE0010085	31,021	-
State Energy Program	81.041	DE-EE-0000084	429,400	160,159
			1,022,245	**160,159**
Weatherization Assistance for Low-Income Persons	81.042	DE-EE0007934	109,744	109,744
Weatherization Assistance for Low-Income Persons	81.042	DE-EE0009915	1,032,318	870,101
			1,142,062	**979,845**
Passed Through New Buildings Institute, Inc. Conservation Research and Development	81.086	DE-EE009747	728	-
Passed Through University of Illinois Conservation Research and Development	81.086	DE-EE0009092	412	-
			1,140	**-**
Environmental Remediation and Waste Processing and Disposal	81.104	DE-EM0005232	3,091,683	-
Environmental Remediation and Waste Processing and Disposal	81.104	DE-EM0005237	649,581	-
			3,741,264	**-**
Passed Through Western Governor's Association Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions	81.106	DE-EM0005229	118,531	-
Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis	81.214	DE-EM0005233	312,319	282,584
Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis	81.214	DE-EM0005234	576,581	-
			888,900	**282,584**
Total Department of Energy			**6,914,142**	**1,422,588**
Department of Education				
Special Education (IDEA) CLUSTER				
Special Education Grants to States	84.027	H027A200043	5,958,698	5,901,913
Special Education Grants to States	84.027	H027A210043	37,612,412	36,064,248
Special Education Grants to States	84.027	H027A220043	53,908,897	53,448,780
COVID-19 Special Education Grants to States	84.027	H027X210043	9,804,876	9,804,876
			107,284,883	**105,219,817**

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STATE OF NEVADA
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Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass- Through Number	Expenditures	Payments to Subrecipients
Special Education Preschool Grants	84.173	H173A200046	316,811	310,742
Special Education Preschool Grants	84.173	H173A210046	1,371,699	1,314,883
Special Education Preschool Grants	84.173	H173A220046	744,046	741,363
Special Education Preschool Grants	84.173	H173X210046	600,802	600,802
			3,033,358	**2,967,790**
Total Special Education (IDEA) CLUSTER			**110,318,241**	**108,187,607**
Adult Education - Basic Grants to States	84.002	V002A200029	124,805	124,805
Adult Education - Basic Grants to States	84.002	V002A210029	3,439,867	3,369,576
Adult Education - Basic Grants to States	84.002	V002A220029	3,524,997	2,587,559
			7,089,669	**6,081,940**
Title I Grants to Local Educational Agencies	84.010	S010A190028	93,692	82,004
Title I Grants to Local Educational Agencies	84.010	S010A200028	3,463,589	3,411,370
Title I Grants to Local Educational Agencies	84.010	S011A210028	68,246,067	66,658,950
Title I Grants to Local Educational Agencies	84.010	S010A220028	88,113,956	87,611,754
			159,917,304	**157,764,078**
Migrant Education State Grant Program	84.011	S011A210028	43,791	42,122
Migrant Education State Grant Program	84.011	S011A220028	36,503	27,685
Migrant Education State Grant Program	84.011	S011A200028	4,431	4,431
			84,725	**74,238**
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	S013A200028	219,031	95,128
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	S013A210028	333,957	159,102
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	S013A220028	114,564	-
			667,552	**254,230**
Career and Technical Education -- Basic Grants to States	84.048	V048A200028	15,995	15,974
Career and Technical Education -- Basic Grants to States	84.048	V048A210028	7,226,551	7,149,271
Career and Technical Education - Basic Grants to States	84.048	V048A220028	5,788,305	4,656,374
			13,030,851	**11,821,619**
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	H126A220041	5,644,173	-
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	H126A230041	13,855,349	-
			19,499,522	**-**
Migrant Education Coordination Program	84.144	S144F190028	51,400	28,990
Migrant Education Coordination Program	84.144	S144F200028	52,044	-
Migrant Education Program Consortium Incentive Grants	84.144	S144F210028	42,654	19,418
			146,098	**48,408**

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STATE OF NEVADA
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FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass-Through Number	Expenditures	Payments to Subrecipients
Rehabilitation Services Independent Living Services for Older Individuals Who are Blind	84.177	H177B220028	53,212	-
Rehabilitation Services Independent Living Services for Older Individuals Who are Blind	84.177	H177B230028	200,449	-
			253,661	**-**
Special Education-Grants for Infants and Families	84.181	H181A210019	3,006,326	-
Special Education-Grants for Infants and Families	84.181	H181A220019	808,027	-
Special Education-Grants for Infants and Families	84.181	H181X210019	752,489	-
			4,566,842	**-**
School Safety National Activities	84.184	S184F180007	706,833	629,931
School Safety National Activities	84.184	S184H200012	1,847,380	955,130
			2,554,213	**1,585,061**
Supported Employment Services for Individuals with the Most Significant Disabilities	84.187	H187A220042	3,631	-
Supported Employment Services for Individuals with the Most Significant Disabilities	84.187	H187B220042	5,981	-
Supported Employment Services for Individuals with the Most Significant Disabilities	84.187	H187A230042	3,293	-
Supported Employment Services for Individuals with the Most Significant Disabilities	84.187	H187B230042	13,750	-
			26,655	**-**
Education for Homeless Children and Youth	84.196	S196A200029	30,176	25,407
Education for Homeless Children and Youth	84.196	S196A210029	266,536	111,208
Education for Homeless Children and Youth	84.196	S196A220029	221,270	218,961
			517,982	**355,576**
Twenty-First Century Community Learning Centers	84.287	S287C190028	1,255,814	1,254,524
Twenty-First Century Community Learning Centers	84.287	S287C200028	2,855,646	2,854,437
Twenty-First Century Community Learning Centers	84.287	S287C210028	6,363,534	5,864,849
Twenty-First Century Community Learning Centers	84.287	S287C220028	5,142,309	4,885,637
			15,617,303	**14,859,447**
Indian Education -- Special Programs for Indian Children	84.299	S299A170030	385,003	278,377
Indian Education -- Special Programs for Indian Children	84.299	S299A220040	59,213	-
			444,216	**278,377**
Special Education - State Personnel Development	84.323	H323A200020	514,599	381,200
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	P334S190009	3,911,444	2,148,737
Rural Education	84.358	S358B210028	15,187	13,960
Rural Education	84.358	S358B220028	115,142	114,145
			130,329	**128,105**

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STATE OF NEVADA
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FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass- Through Number	Expenditures	Payments to Subrecipients
English Language Acquisition State Grants	84.365	S365A200028	735,825	735,565
English Language Acquisition State Grants	84.365	S365A210028	4,775,748	4,499,325
English Language Acquisition State Grants	84.365	S365A190028	18,692	18,692
English Language Acquisition State Grants	84.365	S365A220028	2,867,671	2,748,332
			8,397,936	**8,001,914**
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	S367A190027	301,887	301,887
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	S367A200027	1,807,341	1,801,705
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	S367A210027	10,603,949	9,975,587
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	S367A220027	2,909,062	2,832,194
			15,622,239	**14,911,373**
Grants for State Assessments and Related Activities	84.369	S369A200029	58,346	-
Grants for State Assessments and Related Activities	84.369	S369A210029	4,041,843	-
Grants for State Assessments and Related Activities	84.369	S369A220029	776,441	-
			4,876,630	**-**
Statewide Longitudinal Data Systems	84.372	R372A200020	1,328,189	-
Student Support and Academic Enrichment Program	84.424	S424A190029	6,960	6,960
Student Support and Academic Enrichment Program	84.424	S424A200029	4,530,653	4,489,223
Student Support and Academic Enrichment Program	84.424	S424A210029	3,979,075	3,684,690
Student Support and Academic Enrichment Program	84.424	S424D200002	760,689	-
Student Support and Academic Enrichment Program	84.424	S424A220029	1,138,663	1,119,076
Student Support and Academic Enrichment Program	84.424	S424C190005-19A	1,604,591	-
			12,020,631	**9,299,949**
COVID-19 Education Stabilization Fund	84.425U	S425U210018	449,830,338	442,210,000
COVID-19 Education Stabilization Fund	84.425C	S424C210033	7,495,557	4,735,868
COVID-19 Education Stabilization Fund	84.425R	Emergency Assistance to Non-Public Schools	9,216,796	3,093,925
COVID-19 Education Stabilization Fund	84.425C	GEER GRANT	3,256,716	2,967,097
COVID-19 Education Stabilization Fund	84.425D	S425D200018	25,930,018	25,866,462
COVID-19 Education Stabilization Fund	84.425D	S425D210018	158,365,537	144,086,910
COVID-19 Education Stabilization Fund	84.425G	V425G200036	5,095,506	118,737
COVID-19 Education Stabilization Fund	84.425V	S425BV210013	1,860,968	-

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Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass- Through Number	Expenditures	Payments to Subrecipients
COVID-19 Education Stabilization Fund	84.425W	S425W210029	998,876	876,996
			662,050,312	**623,955,995**
Total Department of Education			**1,043,587,143**	**960,137,854**
Election Assistance Commission				
HAVA Election Security Grants	90.404	EAC-ELSEC22NV-01	654,134	599
Total Election Assistance Commission			**654,134**	**599**
Department of Health and Human Services				
Aging CLUSTER				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	2001NVOASS	257,344	251,764
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	2101NVOASS	884,335	884,335
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	2201NVOASS	1,564,931	1,385,751
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	2301NVOASS-00	537,541	-
COVID-19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	2101NVSSC6-00	1,347,171	1,145,558
COVID-19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	2001NVSSC3	23,230	23,230
COVID-19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	2101NVVAC5	257,160	257,160
			4,871,712	**3,947,798**
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	2001NVOAHD	22,619	22,619
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	2101NVOACM	676,790	635,205
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	2101NVOAHD	1,701,702	1,701,702
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	2201NVOACM	1,772,437	722,081
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	2201NVOAHD	2,792,028	2,792,028
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	2301NVOACM-00	471,899	53,615
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	2301NVOAHD-00	931,426	931,426
COVID-19 Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	2101NVCMC6-00	430,877	342,843
COVID-19 Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	2101NVHDC6-00	934,714	794,535
COVID-19 Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	2001NVHDC2	1,830	1,830
COVID-19 Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	2001NVHDC3	189,934	189,934
COVID-19 Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	2101NVHDC5	334,966	334,966
			10,261,222	**8,522,784**

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Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass- Through Number	Expenditures	Payments to Subrecipients
Nutrition Services Incentive Program	93.053	2101NVOANS	6,508	6,508
Nutrition Services Incentive Program	93.053	2201NVOANS	865,736	865,736
Nutrition Services Incentive Program	93.053	2301NVOANS-00	691,257	691,257
Nutrition Services Incentive Program	93.053	NSIP COMMODITIES	58,914	58,914
			1,622,415	**1,622,415**
Total Aging CLUSTER			**16,755,349**	**14,092,997**
CCDF CLUSTER				
Child Care and Development Block Grant	93.575	2001NVCCDF	130,875	130,875
Child Care and Development Block Grant	93.575	2101NVCCDF	4,357,829	4,051,748
Child Care and Development Block Grant	93.575	2201NVCCDD	50,397,951	42,950,630
Child Care and Development Block Grant	93.575	2301NVCCDD	62,760	-
COVID-19 Child Care and Development Block Grant	93.575	2101NVCDC6	422,402	373,117
COVID-19 Child Care and Development Block Grant	93.575	2101NVCSC6	90,812,291	90,812,291
COVID-19 Child Care and Development Block Grant	93.575	2001NVCCC3	1,913,413	1,913,413
COVID-19 Child Care and Development Block Grant	93.575	2101NVCCC5	27,334,643	27,319,303
			175,432,164	**167,551,377**
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	2101NVCCDF	9,671,803	9,671,803
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	2201NVCCDF	2,141,235	2,141,235
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	2201NVCCDM	20,830,576	20,830,576
			32,643,614	**32,643,614**
Total CCDF CLUSTER			**208,075,778**	**200,194,991**
Head Start CLUSTER				
Head Start	93.600	09CD004076-02-00	49,369	-
Head Start	93.600	09CD004076-02-02	51,581	-
			100,950	**-**
Total Head Start CLUSTER			**100,950**	**-**
Medicaid CLUSTER				
State Medicaid Fraud Control Units	93.775	2201NV5050	509,107	-
State Medicaid Fraud Control Units	93.775	2301NV5050	1,555,318	-
			2,064,425	**-**
State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	93.777	2205NV5000	629,869	48,235
State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	93.777	2205NV5002	21,544	-
State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	93.777	2305NV5000	1,322,841	77,175

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Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass-Through Number	Expenditures	Payments to Subrecipients
State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	93.777	2305NV5002	125,808	-
State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	93.777	2305NV5CAA	35,004	-
COVID-19 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	93.777	2205NV5002	1,065	-
			2,136,131	**125,410**
Medical Assistance Program	93.778	0905NV5028MULTIPLE	12,524,146	-
Medical Assistance Program	93.778	2105NV5MAP	4,319,329,365	-
Medical Assistance Program	93.778	2205NV5ADM	13,450,422	-
Medical Assistance Program	93.778	2205NVIMPL	151,258	-
Medical Assistance Program	93.778	2305NV5ADM	117,849,095	-
			4,463,304,286	**-**
Total Medicaid CLUSTER			**4,467,504,842**	**125,410**
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	2201NVOAEA	13,431	-
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	2301NVOAEA-00	20,651	-
			34,082	**-**
Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	93.042	2101NVOAOM	100,833	20,612
Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	93.042	2201NVOAOM	19,120	-
Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	93.042	2301NVOAOM-00	51,734	-
COVID-19 Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	93.042	2101NVOMC6-00	61,836	61,836
COVID-19 Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	93.042	2001NVOMC3	2,167	-
			235,690	**82,448**
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	2101NVOAPH	148,748	148,748
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	2201NVOAPH	137,023	137,023
COVID-19 Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	2101NVPHC6-00	267,890	254,804
			553,661	**540,575**
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	90MPPG0047-04	7,951	7,951
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	90MPPG004705	294,930	191,472
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	90MPPG0105-01-00	55	-
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	90NWGV0001-01-00	1,013	-

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Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass- Through Number	Expenditures	Payments to Subrecipients
COVID-19 Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	90NWPH003801	267	-
COVID-19 Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	90NWC30009	47,043	44,836
COVID-19 Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	90NWC50041-01-00	197,999	197,999
			549,258	**442,258**
National Family Caregiver Support, Title III, Part E	93.052	2001NVOAFC	113,321	113,321
National Family Caregiver Support, Title III, Part E	93.052	2101NVOAFC	83,860	83,860
National Family Caregiver Support, Title III, Part E	93.052	2201NVOAFC	1,125,087	1,125,087
COVID-19 National Family Caregiver Support, Title III, Part E	93.052	2101NVFCC6-00	503,006	461,174
COVID-19 National Family Caregiver Support, Title III, Part E	93.052	2001NVFCC3	103,812	103,812
			1,929,086	**1,887,254**
Public Health Emergency Preparedness	93.069	NU90TP922047-03-00	1,506,351	1,506,351
Public Health Emergency Preparedness	93.069	NU90TP922047-04-00	4,559,235	2,322,103
			6,065,586	**3,828,454**
Medicare Enrollment Assistance Program	93.071	2101NVMIAA	25,391	21,691
Medicare Enrollment Assistance Program	93.071	2101NVMIDR	41,445	-
Medicare Enrollment Assistance Program	93.071	2101NVMISH	14,960	-
Medicare Enrollment Assistance Program	93.071	2201NVMIAA-00	43,315	38,670
Medicare Enrollment Assistance Program	93.071	2201NVMIDR-00	4,255	-
Medicare Enrollment Assistance Program	93.071	2201NVMISH-00	57,404	14,501
			186,770	**74,862**
Lifespan Respite Care Program	93.072	90LRLI0035-02	35,671	3,600
Lifespan Respite Care Program	93.072	90LRLI0049-02-00	39,422	-
Lifespan Respite Care Program	93.072	90LRLI035-03-00	126,190	19,004
			201,283	**22,604**
Guardianship Assistance	93.090	2301NVGARD	288,407	288,407
Guardianship Assistance	93.090	G-2201NVGARD	1,418,669	1,411,584
			1,707,076	**1,699,991**
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	2001NVPREP	176,919	152,951
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	2101NVPREP	278,906	221,715
			455,825	**374,666**
Maternal and Child Health Federal Consolidated Programs	93.110	1 U2ZMC46636-01-00	377,448	-
Maternal and Child Health Federal Consolidated Programs	93.110	2 H18MC00032-30-00	66,476	-
Maternal and Child Health Federal Consolidated Programs	93.110	5 H18MC00032-29-00	87,962	42,577

See Notes to Schedule of Expenditures of Federal Awards

STATE OF NEVADA
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Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass-Through Number	Expenditures	Payments to Subrecipients
Maternal and Child Health Federal Consolidated Programs	93.110	5 U4CMC32318-04-00	142,609	-
			674,495	**42,577**
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	5 NU52PS910224-03-00	455,107	401,738
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	5 NU52PS910224-04-00	294,314	236,402
			749,421	**638,140**
Emergency Medical Services for Children	93.127	2 H33MC06694-18-00	42,664	-
Emergency Medical Services for Children	93.127	6 H33MC06694-17-01	82,334	-
			124,998	**-**
Projects for Assistance in Transition from Homelessness (PATH)	93.150	1X06SM085832-01	186,748	180,940
Projects for Assistance in Transition from Homelessness (PATH)	93.150	1X06SM087123-01	371,963	331,083
			558,711	**512,023**
COVID-19 Family Planning Services	93.217	1 FPHPA006586-01-00	142,145	-
COVID-19 Family Planning Services	93.217	5 FPHPA006586-02-00	34,152	-
			176,297	**-**
Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program	93.235	2102NVSRAE	409,783	218,753
Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program	93.235	2202NVSRAE	241,061	178,255
			650,844	**397,008**
Grants to States to Support Oral Health Workforce Activities	93.236	T12HP46101	2,613	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1H79SM082235-01	2,846,897	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1H79SM086175-01	86,612	86,212
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1H79SM087191-01	187,666	91,145
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	3H79SP080994-04	1,184,599	1,134,720
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	5H79SM080637-04	7	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	5H79SP080994-05	1,161,960	764,608
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	H79SM080637-03	315,694	287,542
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	H79SM083645	1,633,028	698,095
COVID-19 Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	H79SM086064-01	442,360	418,718
			7,858,823	**3,481,040**
Early Hearing Detection and Intervention	93.251	5 H61MC25010-11-00	218,129	53,840
Early Hearing Detection and Intervention	93.251	5 H61MC25010-12-00	31,864	-
			249,993	**53,840**
Immunization Cooperative Agreements	93.268	1 NH23IP922609-01-00	165,421	164,657
Immunization Cooperative Agreements	93.268	5 NH23IP922609-03	400,410	400,410

See Notes to Schedule of Expenditures of Federal Awards

STATE OF NEVADA
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Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass- Through Number	Expenditures	Payments to Subrecipients
Immunization Cooperative Agreements	93.268	5NH23IP22609-04	2,637,598	800,712
Immunization Cooperative Agreements	93.268	DIRECT ASSISTANCE	42,819,602	-
COVID-19 Immunization Cooperative Agreements	93.268	6NH23IP922609-04-01	83,206	82,806
COVID-19 Immunization Cooperative Agreements	93.268	6 NH23IP22609-02V	13,541,909	12,672,502
COVID-19 Immunization Cooperative Agreements	93.268	6 NH23IP922609-02C	6,703	644
			59,654,849	**14,121,731**
Viral Hepatitis Prevention and Control	93.270	5 NU51PS005157-03-00	11,576	698
Viral Hepatitis Prevention and Control	93.270	NU51PS005157-02	271,105	88,906
			282,681	**89,604**
Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	93.314	5 NU50DD000090-03	142,503	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	5 NU50CK000560-03-00	560,244	503,494
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	5 NU50CK000560-04-00	1,255,031	620,038
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	5 NU50CK000560-04-00	400,188	399,855
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	5 NU50CK000560-02-CV	64,334,279	56,482,672
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	5 NU50CK000560-03-00	5,998,225	2,917,171
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	6 NU50CK000560-01-05	12,684,671	12,321,388
			85,232,638	**73,244,618**
State Health Insurance Assistance Program	93.324	90SAPG006603	512,040	381,661
State Health Insurance Assistance Program	93.324	90SAPG006604-00	23,328	-
			535,368	**381,661**
The Healthy Brain Initiative: Technical Assistance to Implement Public Health Actions related to Cognitive Health, Cognitive Impairment, and Caregiving at the State and Local Levels	93.334	5 NU58DP006924-02	217,899	174,466
The Healthy Brain Initiative: Technical Assistance to Implement Public Health Actions related to Cognitive Health, Cognitive Impairment, and Caregiving at the State and Local Levels	93.334	5 NU58DP006924-03-00	181,691	84,072
			399,590	**258,538**
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	NU90TP922191-01	9,952,338	8,293,367
ACL Independent Living State Grants	93.369	2101NVILSG	69,234	55,505
ACL Independent Living State Grants	93.369	2201NVILSG	219,772	148,227
ACL Independent Living State Grants	93.369	2301NVILSG-00	90,281	19,466
			379,287	**223,198**
National and State Tobacco Control Program	93.387	5NU58DP0067830400	150,458	-
National and State Tobacco Control Program	93.387	NU58DP006783-03	1,290,055	943,816
			1,440,513	**943,816**

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Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass- Through Number	Expenditures	Payments to Subrecipients
COVID-19 Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	1 NH75OT000092-01	15,255,397	9,840,088
The State Flexibility to Stabilize the Market Grant Program	93.413	PRPPR210154-01-00	55,073	-
The National Cardiovascular Health Program	93.426	1NU58DP0074640100	952	-
The National Cardiovascular Health Program	93.426	5 NU58DP006538-05	2,312,081	1,468,843
			2,313,033	**1,468,843**
Every Student Succeeds Act/Preschool Development Grants	93.434	90TP00990100	39,665	-
The Innovative Cardiovascular Health Program	93.435	5 NU58DP006624-04	437,389	351,794
The Innovative Cardiovascular Health Program	93.435	5 NU58DP006538-040	335,882	335,882
The Innovative Cardiovascular Health Program	93.435	5 NU58DP006624-05-00	574,138	405,491
			1,347,409	**1,093,167**
Well-Integrated Screening And Evaluation For Women Across The Nation (WISEWOMEN)	93.436	5 NU58DP006840-02	181,816	134,503
Well-Integrated Screening And Evaluation For Women Across The Nation (WISEWOMEN)	93.436	5 NU58DP006840-03-00	153,713	84,933
			335,529	**219,436**
ACL Assistive Technology	93.464	2001NVATSG	49,013	49,013
ACL Assistive Technology	93.464	2101NVATSG	342,358	337,736
ACL Assistive Technology	93.464	2202NVATSG-00	109,914	68,500
ACL Assistive Technology	93.464	2302NVATSG-00	46,087	-
			547,372	**455,249**
Preventing Maternal Deaths: Supporting Maternal Mortality Review Committees	93.478	1 NU58DP006937-01	33,518	32,166
Preventing Maternal Deaths: Supporting Maternal Mortality Review Committees	93.478	5 NU58DP006937-02-00	46,019	36,178
			79,537	**68,344**
COVID-19 Family Violence Prevention and Services/Sexual Assault/Rape Crisis Services and Supports	93.497	G-2201NVFSC6	392,606	375,198
COVID-19 Low Income Household Water Assistance Program	93.499	2101NVLWC6	6,246	-
MaryLee Allen Promoting Safe and Stable Families Program	93.556	2001NVFFTA	470,437	470,437
MaryLee Allen Promoting Safe and Stable Families Program	93.556	2201NVFPCV	15,860	1,852
MaryLee Allen Promoting Safe and Stable Families Program	93.556	2201NVFPSS	2,018,657	1,754,843
MaryLee Allen Promoting Safe and Stable Families Program	93.556	2201NVPKIN	118,135	118,135
MaryLee Allen Promoting Safe and Stable Families Program	93.556	G-2101NVFPCV	183,247	120,637
MaryLee Allen Promoting Safe and Stable Families Program	93.556	G-2101NVFPSS	1,143,799	1,078,021
MaryLee Allen Promoting Safe and Stable Families Program	93.556	G-2101NVPKIN	41,369	38,369
COVID-19 MaryLee Allen Promoting Safe and Stable Families Program	93.556	G-2101NVFPSC	645,046	561,283
			4,636,550	**4,143,577**

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Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass-Through Number	Expenditures	Payments to Subrecipients
Temporary Assistance for Needy Families	93.558	2001NVTANF 2020G996115	3,343,331	122,194
Temporary Assistance for Needy Families	93.558	2101NVTANF 2021G996115	11,676,739	4,126,931
Temporary Assistance for Needy Families	93.558	2201NVTANF 2022G9996115	15,864,217	58,185
Temporary Assistance for Needy Families	93.558	2301NVTANF-00	4,113,266	2,500,000
COVID-19 Temporary Assistance for Needy Families	93.558	2021NVTANFC6 2021G990228	4,861,937	85,570
			39,859,490	**6,892,880**
Child Support Enforcement	93.563	1804NVCSES 2018G9918CS	385	-
Child Support Enforcement	93.563	2017 1704NVCEST	103,984	96,745
Child Support Enforcement	93.563	2017G9917CJ CSE1504NVCSES	581,694	497,832
Child Support Enforcement	93.563	2018 1604NVCEST	156,768	136,270
Child Support Enforcement	93.563	2201NVCSES	8,873,116	4,370,689
Child Support Enforcement	93.563	2301NVCSES	39,657,134	15,239,371
Child Support Enforcement	93.563	PROGRAM INCOME	5,885,459	5,105,259
			55,258,540	**25,446,166**
Low-Income Home Energy Assistance	93.568	2101NVLIEA	55,738	55,211
Low-Income Home Energy Assistance	93.568	2201NVLIE4	648	-
Low-Income Home Energy Assistance	93.568	2201NVLIEA 2022G992201	6,417,150	501,071
Low-Income Home Energy Assistance	93.568	2201NVLIEI	830,700	-
Low-Income Home Energy Assistance	93.568	2301NVLIEA	11,872,878	82,765
Low-Income Home Energy Assistance	93.568	2301NVLIEE	85,243	85,243
Low-Income Home Energy Assistance	93.568	2301NVLIEI	649,932	-
COVID-19 Low-Income Home Energy Assistance	93.568	2101NVE5C6	478,127	459,080
COVID-19 Low-Income Home Energy Assistance	93.568	2101NVLWC6	1,669,329	-
			22,059,745	**1,183,370**
Community Services Block Grant	93.569	G-2101NVCOSR	306,827	306,827
Community Services Block Grant	93.569	G-2201NVCOSR	1,586,206	1,539,129
Community Services Block Grant	93.569	G-2301NVCOSR	2,019,517	1,938,097
COVID-19 Community Services Block Grant	93.569	2001NVCSC3	1,757,494	1,745,616
			5,670,044	**5,529,669**
State Court Improvement Program	93.586	2201NVSCIP	272,852	7,241
State Court Improvement Program	93.586	G-2101NVSCID	70,312	-
State Court Improvement Program	93.586	G-2101NVSCIP	53,880	-
State Court Improvement Program	93.586	G-2101NVSCIT	83,043	-
			480,087	**7,241**

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Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass- Through Number	Expenditures	Payments to Subrecipients
Community-Based Child Abuse Prevention Grants	93.590	G-2101NVBCAP	233,136	212,611
COVID-19 Community-Based Child Abuse Prevention Grants	93.590	G-2101NVBCC6	145,600	133,260
			378,736	**345,871**
Grants to States for Access and Visitation Programs	93.597	2201NVSAVP	9,848	-
Grants to States for Access and Visitation Programs	93.597	2301NVSAVP	19,955	-
			29,803	**-**
Chafee Education and Training Vouchers Program (ETV)	93.599	2101NVCETV	244,247	244,247
Chafee Education and Training Vouchers Program (ETV)	93.599	2201NVCETV	263,004	263,004
COVID-19 Chafee Education and Training Vouchers Program (ETV)	93.599	G-2101NVETVC	48,200	48,200
			555,451	**555,451**
Adoption and Legal Guardianship Incentive Payments	93.603	1901NVAIPP	102,706	101,190
Adoption and Legal Guardianship Incentive Payments	93.603	G-2001NVAIPP	518,401	468,419
			621,107	**569,609**
Developmental Disabilities Basic Support and Advocacy Grants	93.630	2001NVSCDD	58,862	58,862
Developmental Disabilities Basic Support and Advocacy Grants	93.630	2101NVSCDD	312,396	160,112
Developmental Disabilities Basic Support and Advocacy Grants	93.630	2201NVSCDD-00	437,254	168,944
Developmental Disabilities Basic Support and Advocacy Grants	93.630	2301NVSCDD-00	212	-
COVID-19 Developmental Disabilities Basic Support and Advocacy Grants	93.630	2201NVSCPH-00	53,294	-
			862,018	**387,918**
COVID-19 Section 9813: State Planning Grants for Qualifying Community-Based Mobile Crisis Intervention Services	93.639	2I2CMS331809-01-00	240,311	-
Children's Justice Grants to States	93.643	G-1901NVCJA1	3,992	3,992
Children's Justice Grants to States	93.643	G-2001NVCJA1	122,714	102,182
			126,706	**106,174**
Stephanie Tubbs Jones Child Welfare Services Program	93.645	2201NVCWSS	1,865,886	205,683
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-2101NVCWSS	1,073,307	582,275
			2,939,193	**787,958**
Foster Care Title IV-E	93.658	1701NVFOST	26,688	-
Foster Care Title IV-E	93.658	2301NVFOST	20,044,469	14,951,191
Foster Care Title IV-E	93.658	G-2201NVFOST	9,832,843	8,200,978
			29,904,000	**23,152,169**
Adoption Assistance	93.659	2301NVADPT	27,164,327	23,297,530
Adoption Assistance	93.659	G-2201NVADPT	20,265,839	19,381,283
			47,430,166	**42,678,813**

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Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment (SUPPORT) for Patients and Communities Act	93.664	2C2CMS331738-02-03	3,787	-
COVID-19 Emergency Grants to Address Mental and Substance Use Disorders During COVID-19	93.665	1H79FG000711-01	150,585	149,615
Social Services Block Grant	93.667	G-2001NVSOSR	80,082	80,082
Social Services Block Grant	93.667	G-2101NVSOSR	198,398	198,398
Social Services Block Grant	93.667	G-2201NVSOSR	8,173,185	2,997,858
Social Services Block Grant	93.667	G-2301NVSOSR	5,002,234	820,068
			13,453,899	**4,096,406**
Child Abuse and Neglect State Grants	93.669	G-1901NVNCAN	561,791	288,946
Child Abuse and Neglect State Grants	93.669	G-2001NVNCAN	3,385	-
COVID-19 Child Abuse and Neglect State Grants	93.669	G-2101NVNCC6	206,700	19,413
			771,876	**308,359**
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	2201NVFVPS	826,813	771,754
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	G-2101NVFVPS	844,139	839,453
COVID-19 Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	2101NVFVC6	326,392	304,533
COVID-19 Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	G-2201NVFTC6	390,832	346,130
			2,388,176	**2,261,870**
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G-2101NVCILP	363,197	330,224
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G-2201NVCILP	886,565	770,182
COVID-19 John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G-2101NVCILC	1,287,686	1,262,186
			2,537,448	**2,362,592**
Elder Abuse Prevention Interventions Program	93.747	90EJIB0022-01-00	92,026	-
Elder Abuse Prevention Interventions Program	93.747	90EJIG0022-02-03	162,253	-
Elder Abuse Prevention Interventions Program	93.747	90EJSG0033-03	50,784	10,446
Elder Abuse Prevention Interventions Program	93.747	90EJSG0045-01	253,058	78,638
COVID-19 Elder Abuse Prevention Interventions Program	93.747	2101NVAPC6-00	385,106	77,107
COVID-19 Elder Abuse Prevention Interventions Program	93.747	2101NVAPC6-01	31,882	-
COVID-19 Elder Abuse Prevention Interventions Program	93.747	2101NVAPC5	214,855	-
COVID-19 Elder Abuse Prevention Interventions Program	93.747	2101NVLOC5	4,837	-
			1,194,801	**166,191**
Children's Health Insurance Program	93.767	2105NV5021	85,212,025	-
Children's Health Insurance Program	93.767	2205NV5021	2,040,357	-

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Children's Health Insurance Program	93.767	2305NV5021	51,348	-
			87,303,730	**-**
Opioid STR	93.788	1H79TI085762-01	1,486,640	40,294
Opioid STR	93.788	5H79TI083310-02	7,753,523	6,880,369
			9,240,163	**6,920,663**
Money Follows the Person Rebalancing Demonstration	93.791	1LICMS330822-01-02	304,308	-
State Survey Certification of Health Care Providers and Suppliers (Title XIX) Medicaid	93.796	2305NV5001	1,214,183	-
Maternal, Infant and Early Childhood Home Visiting Grant Program	93.870	1 X10MC39700-01	45,308	-
Maternal, Infant and Early Childhood Home Visiting Grant Program	93.870	1 X10MC43594-01-00	959,772	692,356
Maternal, Infant and Early Childhood Home Visiting Grant Program	93.870	1 X10MC46877-01-00	710,207	653,896
COVID-19 Maternal, Infant and Early Childhood Home Visiting Grant Program	93.870	1 X11MC41943-01-00	153,073	139,496
COVID-19 Maternal, Infant and Early Childhood Home Visiting Grant Program	93.870	1 X11MC45301-01-00	51,380	50,249
			1,919,740	**1,535,997**
National Bioterrorism Hospital Preparedness Program	93.889	5 U3REP190613-02-00	215,357	215,357
National Bioterrorism Hospital Preparedness Program	93.889	5 U3REP190613-03-00	413,213	413,213
National Bioterrorism Hospital Preparedness Program	93.889	5 U3REP190613-04-00	1,510,060	1,084,317
			2,138,630	**1,712,887**
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	5 NU58DP006306-05	578,182	578,182
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	5NU58DP007102-02	1,331	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	NU58DP007102-01	3,887,771	2,412,037
			4,467,284	**2,990,219**
HIV Care Formula Grants	93.917	1 X08HA45089-01-00	830,318	818,609
HIV Care Formula Grants	93.917	2 X08HA45089-02-00	181,203	161,003
HIV Care Formula Grants	93.917	2X07HA00001-32-00	8,111,864	7,380,554
HIV Care Formula Grants	93.917	5 X07HA00001-33-00	226,133	53,012
			9,349,518	**8,413,178**
HIV Prevention Activities Health Department Based	93.940	5NU62PS924579-05-00	3,097,648	2,375,243
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.946	1 U01DP006587-01-00	43,980	43,980
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.946	5 U01DP006587-02-00	102,086	79,426
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.946	5 U01DP006587-03-00	6,999	-
			153,065	**123,406**

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Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass-Through Number	Expenditures	Payments to Subrecipients
Block Grants for Community Mental Health Services	93.958	1B09SM086023-01	4,214,017	1,977,948
Block Grants for Community Mental Health Services	93.958	6B09SM083815-01M001	2,344,187	1,745,720
COVID-19 Block Grants for Community Mental Health Services	93.958	1B09SM085370-01	580,426	458,161
COVID-19 Block Grants for Community Mental Health Services	93.958	1B09SM083986-01	3,196,962	2,805,936
			10,335,592	**6,987,765**
Block Grants for Prevention and Treatment of Substance Abuse	93.959	1B08TI083433-01	5,025,076	4,060,322
Block Grants for Prevention and Treatment of Substance Abuse	93.959	6B08TI084628-0 I	8,334,099	5,769,915
COVID-19 Block Grants for Prevention and Treatment of Substance Abuse	93.959	1B08TI083925-01	4,954,042	4,389,664
COVID-19 Block Grants for Prevention and Treatment of Substance Abuse	93.959	1B08TI083493-01	5,446,458	5,193,814
			23,759,675	**19,413,715**
COVID-19 Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967	1 NE11OE000076-01-00	200,689	-
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	5 NH25PS005179-04-00	659,110	622,219
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	5 NH25PS005179-05-00	350,757	302,190
COVID-19 Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	5 NH25PS005179-05-00	560,532	522,266
COVID-19 Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	NH25PS005179-04-02	1,774,495	1,632,544
			3,344,894	**3,079,219**
Preventive Health and Health Services Block Grant	93.991	1 NB01OT009412-01	218,562	119,625
Preventive Health and Health Services Block Grant	93.991	1 NB01OT009495-01-00	349,393	98,199
			567,955	**217,824**
Maternal and Child Health Services Block Grant to the States	93.994	1 B04MC45229-01-00	1,299,998	375,587
Maternal and Child Health Services Block Grant to the States	93.994	6 B04MC40147-01-04	951,180	408,915
			2,251,178	**784,502**
Total Department of Health and Human Services			**5,284,993,836**	**515,254,513**
Social Security Administration				
Disability Insurance/SSI CLUSTER				
Social Security Disability Insurance	96.001	04-2104NVDI00	788	-
Social Security Disability Insurance	96.001	04-2204NVDI00	4,993,729	-
Social Security Disability Insurance	96.001	04-2304NVDI00	14,728,706	-
Social Security Disability Insurance	96.001	1904NVDI00	87,189	-
			19,810,412	**-**
Total Disability Insurance/SSI CLUSTER			**19,810,412**	**-**
Total Social Security Administration			**19,810,412**	**-**

See Notes to Schedule of Expenditures of Federal Awards

STATE OF NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass- Through Number	Expenditures	Payments to Subrecipients
Department of Homeland Security				
Non-Profit Security Program	97.008	EMW-2020-UA-00044-S01	66,582	66,582
Non-Profit Security Program	97.008	EMW-2021-UA-00042-S01	169,383	169,383
Non-Profit Security Program	97.008	EMW-2022-UA-00023-S0 1	1,627	-
			237,592	**235,965**
Boating Safety Financial Assistance	97.012	70Z02322MO0001042	293,833	-
Boating Safety Financial Assistance	97.012	70Z02323MO0000522	599,730	-
			893,563	**-**
Community Assistance Program State Support Services Element (CAP-SSSE)	97.023	EMF-2022-CA-00012-S01	82,950	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	PA-09-NV-4303	244,919	221,785
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	PA-09-NV-4307	424,987	404,534
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-3443-EM-NV	11,471,868	11,250,342
			12,141,774	**11,876,661**
Hazard Mitigation Grant	97.039	FEMA-4303-DR-NV	72,595	3,750
Hazard Mitigation Grant	97.039	FEMA-4307-DR-NV	741,588	678,799
Hazard Mitigation Grant	97.039	FM-5154-NV	219,418	101,361
			1,033,601	**783,910**
National Dam Safety Program	97.041	EMF-2021-GR-00006	17,021	-
National Dam Safety Program	97.041	EMF-2022-GR-00005-S01	38,547	-
			55,568	**-**
Emergency Management Performance Grants	97.042	EMF-2020-EP-00005	1,413,182	186,211
Emergency Management Performance Grants	97.042	EMF-2021-EP-00005-S01	1,698,223	927,291
Emergency Management Performance Grants	97.042	EMF-2022-EP-00002-S0 1	558,512	548,254
COVID-19 Emergency Management Performance Grants	97.042	EMF-2021-EP-00013-S01	64,925	64,925
COVID-19 Emergency Management Performance Grants	97.042	EMF-2020-EP-00017-S01	785,055	499,908
			4,519,897	**2,226,589**
Assistance to Firefighters Grant	97.044	EMW-2020-FG-15304	500,000	-
Cooperating Technical Partners	97.045	EMF-2021-CA-00012	110,276	-
BRIC: Building Resilient Infrastructure and Communities	97.047	EMF-2017-PC-0009	127,542	126,962
BRIC: Building Resilient Infrastructure and Communities	97.047	EMF-2018-PC-0007	9,333	9,333
BRIC: Building Resilient Infrastructure and Communities	97.047	EMF-2019-PC-0007	107,566	-
BRIC: Building Resilient Infrastructure and Communities	97.047	EMF-2020-BR-090	5,077	600

See Notes to Schedule of Expenditures of Federal Awards

STATE OF NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass-Through Grantor Program Title	Assistance Listing Number	Award or Pass-Through Number	Expenditures	Payments to Subrecipients
BRIC: Building Resilient Infrastructure and Communities	97.047	EMF-2020-PC-0012	551,535	403,204
			801,053	**540,099**
COVID-19 Presidential Declared Disaster Assistance to Individuals and Households - Other Needs	97.050	PAYMENTS FOR LOST WAGES FEMA	274,011	-
Homeland Security Grant Program	97.067	EMW-2018-SS-00066	1,450,368	1,399,115
Homeland Security Grant Program	97.067	EMW-2019-SS-00061-S01	1,269,697	909,166
Homeland Security Grant Program	97.067	EMW-2020-SS-00056	4,160,831	3,396,411
Homeland Security Grant Program	97.067	EMW-2021-SS-00046-S01	3,968,428	2,996,874
Homeland Security Grant Program	97.067	EMW-2022-SS-00019-S01	281,042	13,219
			11,130,366	**8,714,785**
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2021-FF-01251	24,432	-
Homeland Security Biowatch Program	97.091	13OHBIO00025-10-00	1,070,815	1,066,132
Homeland Security Biowatch Program	97.091	13OHBIO00025-11-00	1,805	-
			1,072,620	**1,066,132**
Total Department of Homeland Security			**32,877,703**	**25,444,141**
Total Federal Financial Assistance			**$ 9,667,002,185**	**$ 2,224,646,824**

See Notes to Schedule of Expenditures of Federal Awards

Note 1 - Basis of Presentation and Summary of Significant Accounting Policies

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the State of Nevada (the State) under programs of the federal government for the year ended June 30, 2023. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the State, it is not intended to and does not present the net position, fund balance, or cash flows of the State.

Expenditures reported in the Schedule are reported on the modified accrual basis of accounting, except for subrecipient expenditures, which are recorded on the cash basis. The State received federal awards directly from federal agencies.

The Schedule is used as a managerial tool by the State Controller's Office, primarily to monitor compliance with the Cash Management Improvement Act. As such, the Schedule separately identifies the expenditures for each federal program at the grant award level.

The State has not elected to use the 10% de minimis cost rate.

The "Expenditures" column includes the amounts reported in the "Payments to Subrecipients" column.

The expenditures for the following programs include the dollar value of food commodities, as determined by the U.S. Department of Agriculture or U.S. Department of Health and Human Services, distributed to eligible recipients during the year:

National School Lunch Program (10.555)
Child and Adult Care Food Program (10.558)
Summer Food Service Program for Children (10.559)
Commodity Supplemental Food Program (10.565)
Food Distribution Program on Indian Reservations (10.567)
Emergency Food Assistance Program (Administrative Costs) (10.568)
Emergency Food Assistance Program (Food Commodities) (10.569)
Nutrition Services Incentive Program (93.053)

Note 2 - Unemployment Insurance Program (17.225)

The expenditures reported on the Schedule include both federal funds and state funds, as required. The state funds represent the amounts expended from the Unemployment Trust Fund to pay benefits under the federally approved state unemployment law.

The following identifies the state and federal portions of the expenditures reported:

State Benefits	$ 314,002,298
Federal Benefits	9,820,124
Federal Funds - Grants	45,906,113
Total Reported	$ 369,728,535

Note 3 - Special Supplemental Nutrition Program for Women, Infants, and Children (10.557)

The expenditures for this program include the cost of food vouchers in the amount of $ 31,146,540.

Note 4 - Identification of COVID-19 Related Awards

To maximize the transparency of COVID-19 related award expenditures, the State has separately identified COVID-19 expenditures in the Schedule with the prefix "COVID-19" in the program name when a new grant award was received for a COVID-19 related grant or program. In addition, in some cases, the State received increased federal participation rates, which increased the amount of federal expenditures of a given grant or program in relation to the State's own local expenditures. The most significant increase in federal participation rate is the change in the Federal Medical Assistance Percentages (FMAP) which was increased by 6.2% under the Families First Coronavirus Response Act (FFCRA) beginning on January 1, 2020. Starting April 1, 2023, the FMAP amount will be gradually phased down and end on December 31, 2023. Increased federal participation rates were not separately identified in the Schedule of the State as they related to the same pre-existing grant or program.

Note 5 - Medicaid and Children's Health Insurance Program Liability (93.778, 93.767)

The expenditures reported on the Schedule include an adjustment for Medicaid and Children's Health Insurance Program (CHIP) liabilities due to incurred but not reported (IBNR) costs. IBNR are costs that cannot be cleared quickly. Providers have 60 days to submit claims. The average clearing is about 90 days for approximately 95-96% of claims. A small number of claims are disputed and take longer. If a claim is submitted within 60 days, but not correct, additional time, up to a year, is allowed to resubmit. The following identifies the adjustment to each program:

Medicaid 93.778	$ 27,198,091
CHIP 93.767	(170,057)
Total Adjusted Amount	$ 27,028,034

A. Summary of Auditor's Results

FINANCIAL STATEMENTS

Type of auditor's report issued:

Unmodified for all opinion units except for the following, which were qualified:

- Governmental Activities
- General Fund

Internal control over financial reporting: Material weaknesses identified?	Yes
Significant deficiencies identified not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major program: Material weaknesses identified?	Yes
Significant deficiencies identified not considered to be material weaknesses?	Yes

Type of auditor's report issued on compliance for major programs:

Unmodified for all major federal programs except for the Emergency Rental Assistance Program, which was an adverse opinion and the following, which were qualified opinions:

- Child Nutrition Cluster
- Coronavirus State and Local Fiscal Recovery Fund
- Title I Grants to Local Educational Agencies
- Education Stabilization Fund
- Temporary Assistance for Needy Families
- Low-Income Home Energy Assistance
- CCDF Cluster
- Medicaid Cluster

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516?	Yes

Identification of major programs:

Name of Federal Program	Assistance Listing Number
U.S. Department of Agriculture:	
Child Nutrition Cluster:	
School Breakfast Program	10.553
National School Lunch Program	10.555
Special Milk Program for Children	10.556
Summer Food Service Program for Children	10.559
Fresh Fruit and Vegetable Program	10.582
U.S. Department of Labor:	
Unemployment Insurance	17.225
U.S. Department of Transportation:	
Highway Planning and Construction	20.205
U.S. Department of Treasury:	
Emergency Rental Assistance Program	21.023
Homeowner Assistance Fund	21.026
Coronavirus State and Local Fiscal Recovery Fund	21.027
U.S. Department of Education:	
Title I Grants to Local Educational Agencies	84.010
Education Stabilization Fund	84.425
U.S. Department of Health and Human Services:	
Temporary Assistance for Needy Families (TANF)	93.558
Child Support Enforcement	93.563
Low-Income Home Energy Assistance	93.568
CCDF Cluster:	
Child Care and Development Block Grant	93.575
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596
Foster Care - Title IV-E	93.658
Adoption Assistance	93.659
Children's Health Insurance Program (CHIP)	93.767

Medicaid Cluster:	
State Medicaid Fraud Control Units	93.775
State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	93.777
Medical Assistance Program	93.778
Block Grants for Prevention and Treatment of Substance Abuse	93.959

Dollar threshold used to distinguish between type A and type B programs:	$29,001,006
Auditee qualified as low-risk auditee:	No

B. Findings – Financial Statement Audit

2022-001: Controller's Office - Overall Risk Assessment and Monitoring Activities
Material Weakness

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting.

Condition: Analysis and review of financial reporting information received by the Controller's Office from the various state agencies is not operating effectively. Moreover, the financial close and reconciliation process and related tasks to prepare the Annual Comprehensive Financial Report is not operating effectively.

Cause: Financial reporting information received from the various state agencies is frequently misstated or otherwise in error. However, the Controller's Office does not have adequate internal controls to effectively analyze and review this information. In some cases, information is compiled for financial reporting without adequate review and follow-up with state agencies for potential material errors.

In addition, the Controller's Office does not have effective tools in place to manage internal tasks, such as an order of tasks to complete, timeline to complete, and adequate review of financial information which allows for a complete and reviewed trial balance to be presented for audit.

Effect: Materially misstated information is compiled and recorded for financial reporting. In addition, the financial close process and preparation of the Annual Comprehensive Financial Report is significantly delayed, which loses relevancy for users of the financial statements. As a result, our audit procedures identified adjustments for:

- Cash and Investments
- Accounts Receivable
- Capital Assets
- Prepaid Assets
- Inventory
- Interfund Eliminations
- Unearned Revenue
- Unavailable Revenue
- Beginning Equity Balances
- Revenue
- Expenses

Recommendation:

We recommend the Controller's Office enhance the overall control environment surrounding the financial close process.

At a minimum, we recommend the Controller's Office do so by developing (and actively maintaining) a complete timeline of tasks which includes:

- A listing of routine procedures that must be completed each year
- Who is responsible for completion of the procedures
- Who is responsible for review of the work performed
- A timeline and order of operations for those procedures and review to be completed
- A risk assessment and analytical process to review information from the agencies for reasonableness

Views of Responsible Officials:

Management agrees with this finding

2023-002: Controller's Office – Separately Audited Financial Statements
Material Weakness

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Evaluating and accounting for adjustments in separately audited financial statements for components of the State is a key component of effective internal control over financial reporting.

Condition: The Nevada College Savings Plan (Private Purpose Trust Fund) includes five separately issued savings plan financial statements. These separately issued financial statements are provided to the Controller's Office for compilation into the Private Purpose Trust Fund.

During our testing, it was noted the Private Purpose Trust Fund did not reconcile with the separately issued financial statements.

Cause: The Controller's Office reconciled the separately issued financial statements and presented internal classifications of balances rather than the presentation of balances included in the separately audited financial statements.

Effect: The following errors were noted in the Nevada College Savings Plan Private Purpose Trust Fund:

- Overstatement of cash and investments by $18,829,850
- Understatement of receivables by $30,530,878
- Understatement of liabilities by $12,207,942
- Understatement of deductions by $31,894,812
- Understatement of additions by $31,387,898

Recommendation: We recommend the Controller's Office enhance internal controls to present balances consistent with separately issued financial statements.

Views of Responsible Officials: Management agrees with this finding

2023-003: Controller's Office - Cash and Investments – Treasurer's Pool Reconciliation
Material Weakness

Criteria:	Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Properly reconciling the Treasurer's Pool in a timely and accurate manner is a key component of effective internal control over financial reporting.
Condition:	Amounts originally recorded for the Treasurer's Pool did not appropriately reconcile to the underlying bank statements and brokerage accounts within the pool.
Cause:	The Controller's Office reconciles the Treasurer's Pool bank accounts each month. However, there was a $75,369,262 reconciling item (posted to the general ledger) in the bank reconciliation that was not appropriately investigated and resolved. Therefore, the Controller's Office did not have adequate internal controls to ensure unusual reconciling items were properly recorded.
Effect:	The following errors were noted in the Intergovernmental Custodial Fund: ▪ Overstatement of cash and investments by $75,369,262 ▪ Overstatement of beginning net position by $75,369,262
Recommendation:	We recommend the Controller's Office enhance internal controls to ensure unusual reconciling items within the bank reconciliation are appropriately investigated and resolved.
Views of Responsible Officials:	Management agrees with this finding.

2023-004: Controller's Office - Cash and Investments – Bank Reconciliation
Material Weakness

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Properly reconciling bank accounts in a timely and accurate manner is a key component of effective internal control over financial reporting.

Condition: The Controller's Office reconciles the bank accounts within the Treasurer's Pool each month and has a significant tolerance for unreconciled variances.

The June 30, 2023 bank reconciliation for the Treasurer's Pool includes an unreconciled variance of $18,591,859 between the book balance and the bank balance. The bank balance was reconciled at $9,538,997 and the adjusted book balance was reconciled to $28,130,856.

In addition, we randomly selected the January 2023 bank reconciliation and were not able to see evidence of review by an individual independent of the preparer and the unreconciled variance was $20,704,884. The adjusted bank balance was reconciled at a deficit of $498,562,321 and the adjusted book balance at a deficit of $477,857,436 (deficit caused by significant outstanding electronic funds transfers that are included).

Lastly, the unreconciled variance continues to grow and may or may not relate to cumulative variances as reported previously:

- Finding 2019-005: $13,542,147
- Finding 2020-003: $7,691,973
- Finding 2021-004: $7,802,169
- Finding 2022-002: $19,331,785

Cause: The Treasurer's Pool includes four separate bank accounts and four separate brokerage accounts, all of which are commingled into the same general ledger account, which makes reconciliation a significant challenge. Due to the challenges of this reconciliation, the Controller's Office is not able to effectively reduce the unreconciled variance to a more tolerable level.

Effect: Differences between cash recorded in the bank and the amounts represented in the general ledger are not investigated which indicates the cash balance recorded in the general ledger may not be correct.

Recommendation: We recommend the Controller's Office work with their ERP provider and banks to explore the viability of creating subledgers for each bank account and brokerage account that can be independently reconciled.

Although this would create additional reconciliations that would be needed, the challenges of eight commingled accounts within the same ledger account continue to pose a significant hurdle to remediating the unreconciled variances.

In addition, we recommend the Controller's Office set a tolerable variance limit to ensure clear accountability, while considering the cost/benefit of further investigation.

Lastly, we recommend the Controller's Office enhance internal controls to ensure all bank reconciliations are reviewed.

Views of Responsible Officials: Management agrees with this finding.

2023-005: Controller's Office – Unearned Federal Grant Revenue
Material Weakness

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Ensuring unearned revenues are recorded appropriately is a key component of effective internal control over financial reporting.

Condition: The Housing Division reported cash on hand balances related to federal grants that are administered by the Housing Division. The Housing Division identified certain amounts as unearned revenue in the classification of the carry-forward balance. However, the Controller's Office recorded the carry-forward balance as revenue, in error.

Cause: The Controller's Office did not have adequate internal controls to ensure balance forward classifications reported by an agency were appropriately reflected in the year-end adjustment.

Effect: The following error was noted in the General Fund:

- Understatement of unearned revenue by $85,761,901
- Overstatement of revenue by $85,761,901

Recommendation: We recommend the Controller's Office enhance internal controls to ensure balance forward classifications reported by an agency are appropriately reflected in the year-end adjustment.

If the Controller's Office potentially disagrees with a classification reported by an agency, appropriate communication with the agency should occur to determine the ultimate disposition of the balance forward.

Views of Responsible Officials: Management agrees with this finding.

2023-006: Controller's Office – Opioid Settlement
Material Weakness

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Ensuring accounts receivables, revenue, and unavailable revenue related to long-term settlement agreements are recorded in the appropriate time period and meet the criteria for recognition is a key component of effective internal control over financial reporting.

Condition: The State of Nevada entered litigation with respect to the opioid epidemic in Nevada. Several of these lawsuits have been settled and the settlement recoveries are allocated in accordance with the One Nevada Agreement.

The One Nevada Agreement prescribes the allocation of recoveries to the State, litigating entities, and non-litigating entities within the State. The State's portion of the recoveries is recorded within the Resilient Nevada Fund. The litigating entity recoveries are recorded within the Intergovernmental Custodial Fund, and the non-litigating entity recoveries are recorded within the Miscellaneous - Attorney General Fund.

The Attorney General's Office prepares a schedule of the expected recoveries along with the dates the settlements reached.

The Controller's Office did not originally reconcile, and record amounts related to Opioid recoveries in accordance with the One Nevada Agreement.

Cause: The Controller's Office did not have adequate internal controls and moreover, a complete enough understanding of the One Nevada Agreement allocations, to ensure amounts were recorded in accordance with the One Nevada Agreement and with U.S. GAAP.

Effect: The following errors were noted:

Resilient Nevada Fund

- Overstatement of receivables by $192,095,013
- Understatement of revenues by $16,713,491
- Overstatement of unavailable revenue by $208,808,504

Miscellaneous – Attorney General Fund

- Overstatement of receivables by $4,317,080
- Understatement of revenues by $348,098
- Overstatement of unavailable revenue by $4,665,178

Intergovernmental Custodial Fund

- Overstatement of receivables by $134,824,837
- Overstatement of revenues by $137,304,062
- Overstatement of expenses by $2,479,225

Recommendation: We recommend the Controller's Office enhance its understanding of the One Nevada Agreement allocations and enhance internal controls to ensure amounts are recorded in accordance with the One Nevada Agreement and U.S. GAAP.

Views of Responsible Officials: Management agrees with this finding.

2023-007: Controller's Office – Prior Period Taxes Receivable
Material Weakness

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Ensuring taxes are appropriately allocated across funds is a key component of effective internal control over financial reporting.

Condition: Certain taxes are allocated to multiple funds as provided by statute. State agencies will allocate taxes on actual collection of the tax. However, the Controller's Office is responsible for reconciling and allocating receivables across the multiple funds.

It was determined in the current year that the prior year allocation of receivables for cigarette tax, live entertainment tax, liquor tax, net proceeds of mines, unitary tax, sales and use tax, retail marijuana tax, and transportation connection tax were not appropriately allocated based on the underlying revenue allocations.

Cause: The Controller's Office did not have adequate internal controls to ensure various tax receivables were allocated to the underlying funds appropriately.

Effect: A prior period adjustment was recorded as follows:

Governmental Activities (General Fund)
- Overstatement of prior year receivables by $12,622,783

Governmental Activities (State Education Fund)
- Understatement of prior year receivables by $78,044,570

Governmental Activities (Consolidated Bond Interest and Redemption Fund)
- Understatement of prior year receivables by $65,809

Intergovernmental Custodial Fund
- Overstatement of prior year receivables by $65,001,038

In addition to the prior period adjustment, the following errors were noted for the Intergovernmental Custodial Fund:

- Understatement of receivables by $26,691,262
- Overstatement of revenues by $3,402,756
- Understatement of beginning net position by $30,094,018

Recommendation: We recommend the Controller's Office enhance internal controls to ensure taxes receivable are allocated across the respective funds appropriately.

Views of Responsible Officials: Management agrees with this finding.

2023-008: Controller's Office – Unclaimed Property
Material Weakness

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Ensuring unclaimed property is recorded appropriately is a key component of effective internal control over financial reporting.

Condition: The Controller's Office is responsible for reconciling unclaimed property receipts and determining the amount to recognize as revenue and the amount to retain as a liability for amounts probable to be reclaimed and paid to claimants.

The Controller's Office did not appropriately adjust unclaimed property receipts for what should have been recorded as revenue and what was estimated to remain as a liability.

Cause: The Controller's Office did not have adequate internal controls to ensure unclaimed property receipts were appropriately reconciled and allocated between revenue and the liability.

Effect: The following error was noted in the General Fund:

- Overstatement of liability by $64,165,254
- Understatement of revenue by $64,165,254

Recommendation: We recommend the Controller's Office enhance internal controls to ensure unclaimed property receipts are appropriately reconciled and allocated between revenue and the liability.

Views of Responsible Officials: Management agrees with this finding.

2023-009: Controller's Office – Eliminations
Significant Deficiency

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Ensuring certain interfund or intra-fund transactions are eliminated is a key component of effective internal control over financial reporting.

Condition: Some transactions relating to the Nevada System of Higher Education are recorded within the General Fund for internal processing purposes. The Controller's Office is responsible for eliminating these transactions from the General Fund for financial reporting during the year-end close process as these amounts are reported by the Nevada System of Higher Education in their separately issued financial statements and by the State as part of the aggregate discretely presented component units. Therefore, certain transactions that are recorded within the General Fund must be eliminated to avoid duplication.

Cause: The Controller's Office did not have adequate internal controls to ensure transactions related to the Nevada System of Higher Education were properly eliminated within the General Fund.

Effect: The following error was noted in the General Fund:

- Overstatement of revenues by $6,888,369
- Overstatement of expenditures by $6,888,369

Recommendation: We recommend the Controller's Office enhance internal controls to ensure transactions related to the Nevada System of Higher Education are properly eliminated within the General Fund.

Views of Responsible Officials: Management agrees with this finding.

2023-010: Controller's Office – Capital Asset and Long-term Obligation Disclosures
Material Weakness

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Ensuring disclosure information relating to the change in capital assets and long-term debt balances in accordance with U.S. GAAP is a key component of effective internal control over financial reporting.

Condition: The Controller's Office is responsible for reporting capital asset activity in Note 7 and long-term debt activity in Note 9.

Software costs were originally reported as furniture and equipment and subscription-based software beginning balances and additions were not reported accurately in Note 7.

Activity for lease liabilities, software subscription liabilities, and bond premiums were not reported accurately in Note 9. In addition, certain disclosures related to leased assets, amortization, and pledged revenues were also not accurately disclosed in Note 9.

Cause: The Controller's Office did not have adequate internal controls to ensure disclosures in Note 7 and Note 9 were accurate.

Effect: The following errors were noted:

Note 7 – Capital Assets

- Furniture and equipment were overstated by $6,961,000
- Software costs were understated by $6,961,000
- Subscription based software beginning balances were understated by $348,715,000
- Subscription based software additions were overstated by $348,715,000

Note 9 – Short and Long-term Obligations

- Lease additions were understated by $32,853,000
- Lease reductions were understated by $32,853,000
- Software subscription beginning balances were understated by $291,232,000

Note 9 – Short and Long-term Obligations (continued)

- Software subscription additions was overstated by $206,227,000
- Software subscription reductions was understated by $85,005,000
- Issuance premium additions was understated by $384,000
- Issuance premium reductions was understated by $384,000
- The carry amounts of right to use leased assets was understated by $30,584,000
- The accumulated amortization of right to use leased assets was understated by $32,890,000
- Total principal and interest remaining on pledged revenue highway bonds was understated by $6,300,450
- Total principal and interest remaining on certificates of participation was understated by $6,479,545

Recommendation: We recommend the Controller's Office enhance internal controls to ensure disclosures in Note 7 and Note 9 are accurate.

Views of Responsible Officials: Management agrees with this finding.

2023-011: Controller's Office and Department of Taxation – Unallocated (Undistributed) Taxes
Material Weakness

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Ensuring clearing accounts are appropriately adjusted during financial close is a key component of effective internal control over financial reporting.

Condition: Taxpayer payments are receipted into a clearing account prior to matching the payment to records, such as tax returns. Once records are matched, the payments are recorded (distributed) to the appropriate tax revenue.

During financial close, the tax clearing accounts are examined to determine the ultimate disposition (allocation) of the payments received for appropriate financial reporting.

The Controller's Office and the Department of Taxation did not adequately communicate information to allocate the remaining balances in the clearing accounts for appropriate financial reporting.

Cause: The Controller's Office and the Department of Taxation did not have adequate internal controls to ensure the clearing accounts were appropriately allocated during financial close.

Effect: The following errors in the General Fund were noted:

- Unearned revenue was overstated by $54,991,240
- Unavailable revenue was overstated by $6,491,516
- Revenues were understated by $634,746
- Receivables were overstated by $44,716,548
- Beginning fund balance was understated by $16,131,462

Recommendation: We recommend the Controller's Office and Department of Taxation implement a process to analyze the clearing accounts and enhance internal controls to ensure the clearing accounts for unallocated taxes are appropriately allocated during financial close.

Views of Responsible Officials: Management agrees with this finding.

2023-012: Department of Taxation – Allowance for Doubtful Accounts
Material Weakness

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Evaluating, monitoring, and reviewing the collectability of delinquent receivables is a key component of effective internal control over financial reporting.

Condition: The Department of Taxation aggregates and summarizes tax receivable information, including the age of receivables and delinquent receivables. The Department is responsible for estimating the likelihood of collection and reporting the estimated collectible amounts to the Controller's Office. The Department reported $413,946,513 in total receivables, with $336,340,425 being over 120 days old. The Department's original estimate of uncollectible receivables was $16,294,820.

An allowance was estimated for these receivables using historical collections of all taxes but failed to adequately consider additional information such as actual subsequent collections, refunds or payment plans, and historical collections of older delinquent receivables.

Cause: The Department of Taxation did not have adequate internal controls to properly evaluate receivables for collectability using reasonable and currently known facts and circumstances.

Effect: The estimate for the collectability of delinquent tax receivables was revised and increased by $215,604,717. The Controller's Office allocated the allowance to several funds and the following errors were noted:

General Fund
- Overstated receivables by $115,843,414

State Education Fund
- Overstated receivables by $41,642,065

Intergovernmental Custodial Fund
- Overstated receivables by $58,119,238

Recommendation: We recommend the Department of Taxation implement new policies and internal controls to evaluate the collectability of receivables reported to the Controller's Office on an annual basis. These should include, at a minimum, consideration towards:
- Historical collections by age of receivable
- Currently known facts and circumstances

Views of Responsible Officials: Management agrees with this finding.

2023-013: Department of Taxation – Net Proceeds of Minerals and Unitary Taxes
Material Weakness

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Properly reviewing and reporting receivable balances is a key component of effective internal control over financial reporting.

Condition: The Department of Taxation aggregates and summarizes various tax receivable information. This information is reported to the Controller's Office for adjustment in the general ledger.

Balances reported by the Department of Taxation for net proceeds of minerals and unitary taxes were not accurate.

Cause: The Department of Taxation did not have adequate internal controls to ensure receivables were properly reported to the Controller's Office.

Effect: The Department of Taxation improperly overstated net proceeds of minerals and unitary taxes by $144,024,816. The Controller's Office allocated those receivables to several funds and the following errors were noted:

General Fund
- Overstated receivables by $1,426,493

State Education Fund
- Overstated receivables by $10,307,066

Consolidated Bond Interest and Redemption Fund
- Overstated receivables by $8,355,212

Intergovernmental Custodial Fund
- Overstated receivables by $123,936,045

Recommendation: We recommend the Department of Taxation implement internal controls to provide for the reconciliation and review of receivable amounts provided to the Controller's Office.

Views of Responsible Officials: Management agrees with this finding.

2023-014: Division of Forestry – Fire Suppression Receivables
Significant Deficiency

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Ensuring receivables are recorded timely and accurately is a key component of effective internal control over financial reporting.

Condition: The Division of Forestry is responsible for billing reimbursable expenditures to various agencies (i.e. federal agencies or local jurisdictions) when assisting with fire incidents.

The Division of Forestry is responsible for reporting to the Controller's Office any amounts of unbilled receivables for appropriate consideration and financial reporting. The Division did not accurately report the unbilled receivables to the Controller's Office in which reimbursable expenditures had occurred.

Cause: The Division of Forestry did not have adequate internal controls to track and monitor unbilled fire suppression receivables to report to the Controller's Office.

Effect: The following error was noted in the General Fund:

- Understatement of receivables by $19,547,876

Recommendation: We recommend the Division of Forestry enhance internal controls to track and monitor unbilled fire suppression receivables to ensure accurate reporting to the Controller's Office.

Views of Responsible Officials: Management agrees with this finding.

2023-015: Department of Administration – Inventory
Material Weakness

Criteria:	Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Inventory management and accurate unit pricing is a key component of effective internal control over financial reporting.
Condition:	The Department of Administration is responsible for managing personal protective equipment (inventory), including determining the amount of units on hand and the cost per unit. The cost per unit of inventory was not accurately recorded.
Cause:	The Department of Administration did not have adequate internal controls to ensure the value of inventory was reasonable.
Effect:	The following error was noted in the General Fund: ▪ Overstatement of inventory by $450,967,169
Recommendation:	We recommend the Department of Administration enhance internal controls to ensure the value of inventory is reasonable.
Views of Responsible Officials:	Management agrees with this finding.

2023-016: Division of Health Care Financing and Policy – Medicaid Capitation Payments
Material Weakness

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Ensuring expenses are recorded in the appropriate time period is a key component of effective internal control over financial reporting.

Condition: The Division of Health Care Financing and Policy (now the Nevada Health Authority) is responsible for monitoring and accounting for capitation payments under the Medicaid program. Medicaid capitation refers to a payment model where managed care organizations receive a fixed, predetermined payment per member per month to cover the healthcare costs of enrolled individuals.

Capitation payments paid in July 2022 were identified as fiscal year 2022 related costs; however, they were related to July 2022 and should have been identified as fiscal year 2023. In addition, capitation payments paid in late June 2023 were identified as fiscal year 2023 related costs; however, they were related to July 2023 and should have been identified as a prepaid expense.

Cause: The Division of Health Care Financing and Policy (now Nevada Health Authority) did not have adequate internal controls to ensure capitation payment periods were appropriately identified and communicated to the Controller's Office.

Effect: The following errors were noted in the General Fund:

- Understatement of prepaid expenses by $214,342,210
- Understatement of expenses by $23,158,071
- Understatement of beginning fund balance by $237,500,281

Recommendation: We recommend the Nevada Health Authority enhance internal controls to ensure capitation payment periods are appropriately identified and communicated to the Controller's Office.

Views of Responsible Officials: Management agrees with this finding.

2023-017: Department of Transportation – Infrastructure and Construction in Progress
Material Weakness

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Ensuring infrastructure and construction in progress is recorded appropriately is a key component of effective internal control over financial reporting.

Condition: The Department of Transportation is responsible for maintaining a capital asset roll-forward for projects it manages, which are typically construction in progress related to infrastructure (i.e., roads) and completed infrastructure.

This roll-forward is provided to the Controller's Office and ultimately considered within the State's aggregate capital asset activity.

Amounts provided in the roll-forward by the Department of Transportation were not accurate for construction in progress and completed infrastructure.

Cause: The Department of Transportation did not have adequate internal controls to ensure infrastructure projects were appropriately reflected within the roll-forward that was provided to the Controller's Office.

Effect: The following errors were noted for capital assets within Governmental Activities:

- Construction in progress additions were understated by $1,295,000
- Construction in progress deletions were understated by $167,584,000
- Construction in progress was aggregately overstated by $166,289,000
- Infrastructure additions were understated by $180,322,000
- Infrastructure deletions were overstated by $167,630,000
- Infrastructure was aggregately understated by $347,952,000

Recommendation:

We recommend the Department of Transportation implement a review process of the roll-forward prior to providing it to the Controller's Office.

The roll-forward review should, at a minimum, consider unusual relationships such as:

- Transfers out of construction in progress not matching transfers in (additions) to completed assets
- Significant adjustments to capacity (final voucher) amounts with no beginning construction in progress or project balance
- Significant adjustments to capacity (final voucher) amounts where the addition to completed infrastructure is higher than the construction in progress project total

Views of Responsible Officials: Management agrees with this finding.

2023-018: Department of Corrections – Payroll Internal Controls
Significant Deficiency

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Proper reconciliation of payroll is a key component of effective internal control over financial reporting.

To ensure proper reconciliation occurs, the State of Nevada's internal control policies require that agencies with a timekeeper function print reports from the Payroll Data Warehouse for each employee's timesheet entered by a timekeeper. The agency must verify that time and pay entries reported on the payroll register agree with the timesheet. For all employees, if the leave or overtime was not preapproved in the Nevada Employee Action and Timekeeping System (NEATS), then an approved hard copy must be on file. This is performed by the agencies every pay period. In addition, on the Monday following payday, agencies also reconcile the expenditures from the Budget Status Report to the Detail Cost Listing report (provided by Advantage-HR).

Condition: No reconciliation of payroll occurred during fiscal year 2023 by the Department of Corrections in accordance with the State of Nevada internal control policy.

Cause: The Department of Corrections did not monitor and follow established internal control policies.

Effect: Errors could occur and not be corrected or detected by the Department of Corrections.

Recommendation: We recommend the Department of Corrections follow the State of Nevada payroll reconciliation internal control policies.

Views of Responsible Officials: Management agrees with this finding.

2023-019: Department of Health and Human Services – Payroll Internal Controls
Significant Deficiency

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Proper reconciliation of payroll is a key component of effective internal control over financial reporting.

To ensure proper reconciliation occurs, the State of Nevada's internal control policies require that agencies with a timekeeper function print reports from the Payroll Data Warehouse for each employee's timesheet entered by a timekeeper. The agency must verify that time and pay entries reported on the payroll register agree with the timesheet. For all employees, if the leave or overtime was not preapproved in the Nevada Employee Action and Timekeeping System (NEATS), then an approved hard copy must be on file. This is performed by the agencies every pay period. In addition, on the Monday following payday, agencies also reconcile the expenditures from the Budget Status Report to the Detail Cost Listing report (provided by Advantage-HR).

Condition: No reconciliation of payroll occurred during fiscal year 2023 by the Department of Health and Human Services, in accordance with the State of Nevada internal control policy.

Cause: The Department of Health and Human Services did not monitor and follow established internal control policies.

Effect: Errors could occur and not be corrected or detected by the Department of Health and Human Services.

Recommendation: We recommend the Department of Health and Human Services follow the State of Nevada payroll reconciliation internal control policies.

Views of Responsible Officials: Management agrees with this finding.

2023-020: Housing Division – Recognition of Receivables and Amortization Expense in Proper Period Material Weakness

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Proper reconciliation and recording of financial statement balances in the proper period is a key component of effective internal control over financial reporting.

Condition: During the year ended June 30, 2023, management noted that the amortization expense recorded for Home is Possible Teacher Grants in the prior year was overstated and had also been incorrectly recorded in the current year. While management noted the error, they did not properly correct, and we recorded an audit adjustment to properly record.

Cause: The Housing Division did not have adequate internal controls to ensure that the Home is Possible Teach Grants and related amortization expense were properly recorded in the proper period.

Effect: The following errors were noted in the Housing Division Fund:

- Amortization expense was understated by $4,775,200
- Program fee revenues was understated by $1,445,000
- Accumulated amortization was understated by $530,750
- Beginning net position was understated by $2,799,450

Recommendation: We recommend the Housing Division enhance internal controls for the proper review of the financial statement balances to ensure they are appropriately recorded.

Views of Responsible Officials: Management agrees with this finding.

2023-021: Controller's Office – Government Wide Settlement Liability
Significant Deficiency

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Proper reconciliation of government-wide liability conversion entries is a key component of effective internal control over financial reporting.

Condition: The Controller's Office is responsible for converting governmental fund balances to government-wide governmental activity balances. During this conversion process, a settlement liability was recorded for a liability that had already been paid in a prior period.

Cause: The Controller's Office did not have adequate internal controls to review and evaluate conversion entries to ensure prior year amounts were properly recorded.

Effect: The following errors were noted within Governmental Activities:

- Overstatement of accounts payable by $20,240,725
- Understatement of beginning net position by $20,240,725

Recommendation: We recommend the Controller's Office enhance internal controls to provide for the review and evaluation of conversion entries to ensure entries are properly recorded.

Views of Responsible Officials: Management agrees with this finding.

C. Findings and Questioned Costs – Major Federal Award Programs

2023-022: U.S. Department of Agriculture
Child Nutrition Cluster:
School Breakfast Program, 10.553
National School Lunch Program, 10.555
Special Milk Program for Children, 10.556
Summer Food Service Program for Children, 10.559
Fresh Fruit and Vegetable Program, 10.582

Reporting
Material Weakness in Internal Control over Compliance and Material Noncompliance

Grant Award Number: Affects all grant awards included under assistance listings 10.553, 10.555, 10.556, 10.559, and 10.582 on the Schedule of Expenditures of Federal Awards.

Criteria: The Federal Funding Accountability and Transparency Act (FFATA) requires direct recipients of certain federal awards to report subaward information by the end of the month following the month in which the prime awardee obligates a subgrant award equal to or greater than $30,000.

Condition: Required subaward information was not reported in the FFATA Subaward Reporting System (FSRS).

Cause: The Nevada Department of Agriculture (NDA) did not have internal controls to ensure subaward information was submitted in accordance with the FFATA.

Effect: Subaward obligations were not reported in the FSRS and therefore not included on the FFATA's website for public information disclosure.

Questioned Costs: None

Context/Sampling: A nonstatistical sample of nine out of a population of 61 applicable subaward obligations was selected for testing. The quantity and subaward obligation errors were noted as follows:

	Subawards	Obligations
Total Tested	9	$1,772,633
Not Reported	9	$1,772,633
Not Timely	9	$1,772,633
Obligation Incorrect	9	$1,772,633
Missing Key Elements	9	$1,772,633

Repeat Finding from Prior Year: Yes – prior year finding 2022-019.

Recommendation:	We recommend NDA implement internal controls to ensure subaward information is submitted in accordance with the FFATA.
Views of Responsible Officials:	The Nevada Department of Agriculture agrees with this finding.

2023-023: **U.S. Department of Labor**
Unemployment Insurance, 17.225
COVID-19 Unemployment Insurance, 17.225

Reporting
Significant Deficiency in Internal Control over Compliance

Grant Award Number: Affects grant award 23A55UI039335-01 included under assistance listing 17.225 on the Schedule of Expenditures of Federal Awards.

Criteria: The *OMB Compliance Supplement* requires that reports submitted to the federal awarding agency include all activity of the reporting period, are supported by underlying accounting information or performance records, and are fairly presented in accordance with governing requirements.

The Nevada Department of Employment, Training and Rehabilitation (DETR) must submit the *ETA 9130 Financial Status Report, UI Programs*.

Condition: Amounts reported on the ETA 9130 did not agree to underlying financial records.

Cause: DETR did not have adequate internal controls to ensure amounts reported agreed to underlying financial records.

Effect: Inaccurate information was reported to the federal awarding agency.

Questioned Costs: None

Context/Sampling: A nonstatistical sample of 12 out of a population of 70 ETA 9130 reports was selected for testing. An error was noted on one of the reports tested as follows:

Quarter Ended March 31, 2023 (UI39335OB0)

	Amount Reported	Amount per General Ledger
Federal Share of Expenditures	$11,551,039	$10,567,850

Repeat Finding from Prior Year: No

Recommendation: We recommend DETR enhance the internal controls to ensure amounts reported agree to underlying records.

Views of Responsible Officials: The Nevada Department of Employment, Training and Rehabilitation agrees with this finding.

2023-024: **U.S. Department of Labor**
Unemployment Insurance, 17.225
COVID-19 Unemployment Insurance, 17.225

Special Tests and Provisions – UI Benefit Payments
Significant Deficiency in Internal Control over Compliance

Grant Award Number: Affects all grant awards with benefit payments, which are UI EUC, UI Trust Fund, UI Extended Benefits, UI FPUC, UI PEUC, and UIPL 18-20, included under assistance listing 17.225 on the Schedule of Expenditures of Federal Awards.

Criteria: State Workforce Agencies are required by 20 CFR section 602.11(d) to operate and maintain a quality control system. The Benefits Accuracy Measurement (BAM) program is the quality control system designed to assess the accuracy of UI benefit payments and denied claims. The State's BAM unit is required to draw a weekly sample of payments and denied claims, complete prompt and in-depth investigations to determine the degree of accuracy in the administration of the program. The requirements are promulgated in the *ET Handbook No. 395* (Handbook).

Department of Labor ET Handbook 395, Part VI, Section 11 Completion of Cases and Timely Data Entry states that a minimum of 70% of cases must be completed within 60 days of the week ending date of the batch, and 95% of cases must be completed within 90 days of the week ending batch; and a minimum of 98% of cases for the year must be completed within 120 days of the ending date of the calendar year.

Condition: The minimum standards of BAM case completion were not met.

Cause: The Nevada Department of Employment, Training and Rehabilitation (DETR) did not have adequate internal controls to ensure BAM timeliness requirements were met.

Effect: A BAM investigation may not detect an error timely.

Questioned Costs: None

Context/Sampling: The following is a summary of the BAM case completion percentages that were not met for calendar year 2022:

<u>90-day completion requirements</u>
Paid claims require 95% completion, actual was 85.19%.
Denied separation claims require 85% completion, actual was 84.21%.

	120-day completion requirements Paid claims require 98% completion, actual was 93.46%. Denied separation claims require 98%, actual was 92.76%. Denied non-separation claims require 98%, actual was 93.63%.
Repeat Finding from Prior Year:	Yes – prior year finding 2022-021.
Recommendation:	We recommend DETR enhance internal controls to ensure BAM timeliness requirements are met.
Views of Responsible Officials:	The Nevada Department of Employment, Training and Rehabilitation agrees with this finding.

2023-025: U.S. Department of Transportation
Highway Planning and Construction, 20.205
COVID-19 Highway Planning and Construction, 20.205

Special Tests and Provisions – Value Engineering
Significant Deficiency in Internal Control over Compliance

Grant Award Number: Affects all grant awards included under assistance listing 20.205 on the Schedule of Expenditures of Federal Awards.

Criteria: The Nevada Department of Transportation (NDOT) is required to establish a value engineering (VE) program and ensure that a VE analysis is performed on all applicable projects. The program should include procedures to approve or reject recommendations and for monitoring to ensure that resulting, approved recommendations are incorporated into the plans, specifications, and estimate. Applicable projects are (a) projects located on the National Highway System (NHS) with an estimated total project cost of $50 million or more that utilize federal high program funding; (b) bridge projects located on the NHS with an estimated total cost of $40 million or more that utilize federal highway program funding; and (c) any other projects that the FHWA determines to be appropriate.

Critical elements of VE programs include identification of a state VE coordinator; establishment of a VE policy, and documented VE procedures, including requirements to identify applicable projects, verify required VE analyses are completed on State DOT and subrecipient projects; and monitor, assess, and report on the performance of the VE program as required by 23 CFR part 627.

NDOT's VE policy states that NDOT will conduct VE analysis for all NHS projects costing at least $25 million, to consider VE for projects exceeding $10 million, and to consider VE for all projects, processes, procedures, and standards submitted by district or division heads. Emphasis on value analysis for projects exceeding $10 million does not eliminate consideration of smaller projects that may benefit from value analysis.

Condition: A VE analysis was not performed when required by NDOT policy.

Cause: The Nevada Department of Transportation (NDOT) did not have adequate internal controls to ensure their VE policy was followed.

Effect: A project did not benefit from a value analysis.

Questioned Costs: None

Context/Sampling:	A nonstatistical sample of two projects from a population of seven was selected for testing. One project had an estimated cost of $41 million to $49 million and a VE analysis was performed. The other project had an estimated cost of $34 million to $41 million and a VE analysis was not performed in accordance with NDOT policy.
Repeat Finding from Prior Year:	No
Recommendation:	We recommend NDOT enhance internal controls to ensure the VE policy is followed or, if necessary, the VE policy is updated as needed and provided that it complies with federal requirements.
Views of Responsible Officials:	The Nevada Department of Transportation agrees with this finding.

2023-026: U.S. Department of Treasury
COVID-19 Emergency Rental Assistance Program, 21.023

Reporting
Material Weakness in Internal Control over Compliance and Material Noncompliance

Grant Award Number: Affects all grant awards included under assistance listing 21.023 on the Schedule of Expenditures of Federal Awards.

Criteria: Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 200.303 provides that non-federal entities must establish and maintain effective internal control that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

The *OMB Compliance Supplement* provides that states are required to submit *Quarterly Reports* for Emergency Rental Assistance as amended by the Consolidated Appropriations Act of 2021 (ERA1) and Emergency Rental Assistance from the American Rescue Plan Act (ERA2).

Condition: Key information was not reported, supporting documentation for amounts that were reported was not maintained, and there was no segregation of duties in the preparation and review of the reports.

Cause: The Nevada Housing Division (NHD) did not have internal controls to ensure reports were reviewed, support was maintained, and reports were complete and accurate prior to submission.

Effect: Inaccurate and incomplete information was submitted to the federal awarding agency.

Questioned Costs: None

Context/Sampling: A nonstatistical sample of four *Quarterly Reports* out of a population of eight was selected for testing. The errors for submitted reports are noted as follows:

<u>ERA 1 report for the quarter ended September 30, 2022:</u>

- $18,096,873 was reported as amounts expended for administrative expenses and was not able to be traced to underlying supporting records.
- Amounts expended and/or obligated for administrative expenses exceed 10% of the total allocation.

- No amounts were reported for the total obligation and expenditures for housing stability services. As such the housing stability services ratio was not able to be determined.
- No amounts were reported for number of households served at certain income levels.
- There was no evidence of internal controls (segregation of duties).

ERA 1 report for the quarter ended December 31, 2022:

- No amounts were reported for administrative costs obligated and expended and award funds obligated or expended. As such the administrative costs ratio was not able to be determined.
- No amounts were reported for the total obligation and expenditures for housing stability services. As such the housing stability services ratio was not able to be determined.
- Number of households served at certain income levels was not able to be traced to underlying supporting records.
- There was no evidence of internal controls (segregation of duties).

ERA 2 report for the quarter ended September 30, 2022:

- No amounts were reported for administrative costs obligated and expended and award funds obligated or expended. As such the administrative costs ratio was not able to be determined.
- No amounts were reported for the total obligation and expenditures for housing stability services. As such the housing stability services ratio was not able to be determined.
- No amounts were reported for number of households served at certain income levels.
- There was no evidence of internal controls (segregation of duties).

ERA 2 report for the quarter ended March 31, 2023:

- No amounts were reported for administrative costs obligated and expended and award funds obligated or expended. As such the administrative costs ratio was not able to be determined.
- No amounts were reported for the total obligation and expenditures for housing stability services. As such the housing stability services ratio was not able to be determined.
- No amounts were reported for number of households served at certain income levels.
- There was no evidence of internal controls (segregation of duties).

Repeat Finding from Prior Year: Yes – prior year findings 2022-026 and 2022-027.

Recommendation:	We recommend NHD implement internal controls to ensure reports are reviewed, support is maintained, and reports are complete and accurate prior to submission.
Views of Responsible Officials:	The Nevada Housing Division agrees with this finding.

2023-027: U.S. Department of Treasury
COVID-19 Emergency Rental Assistance Program, 21.023

Subrecipient Monitoring
Material Weakness in Internal Control over Compliance and Material Noncompliance

Grant Award Number: Affects all grant awards included under assistance listing 21.023 on the Schedule of Expenditures of Federal Awards.

Criteria: Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 200.332 requires that:

Pass-through entities ensure every subaward includes certain information at the time of the subaward and the assistance listing number is communicated at the time of disbursement to subrecipients.

Pass-through entities evaluate each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring. In addition, the subrecipient monitoring must ensure that the subaward is used for authorized purposes.

Pass-through entities verify every subrecipient is audited as required by Uniform Guidance, issue management decisions for audit findings, as applicable, and ensure the subrecipient takes timely corrective action on all audit findings, as applicable.

Condition: Subawards did not contain all the required information, assistance listing numbers were not communicated at the time of disbursement, an evaluation of the subrecipients risk for noncompliance for purposes of determining the appropriate subrecipient monitoring was not performed, adequate active monitoring procedures were not performed, and subrecipient audit reports were not reviewed.

Cause: The Nevada Housing Division (NHD) did not have internal controls in place to ensure compliance with subrecipient monitoring requirements.

Effect: Noncompliance at the subrecipient level may occur and not be detected.

Questioned Costs: None

Context/Sampling:	A nonstatistical sample of three subrecipients out of a population of four was selected for testing. All three subrecipients were not assessed for risk of noncompliance, award agreements were missing required terms and conditions for a subaward, and there was no evidence active monitoring or review of the audit reports was performed. A nonstatistical sample of four pass-through payments out of a population of 18 was selected for testing. All four pass-through payments tested did not have the assistance listing communicated at the time of disbursement.
Repeat Finding from Prior Year:	No
Recommendation:	We recommend NHD enhance internal controls to ensure compliance with subrecipient monitoring requirements.
Views of Responsible Officials:	The Nevada Housing Division agrees with this finding.

2023-028: U.S. Department of Treasury
COVID-19 Emergency Rental Assistance Program, 21.023

Special Tests and Provisions – ERA Funds Reallocation
Material Weakness Internal Control over Compliance and Material Noncompliance

Grant Award Number: Affects all grant awards included under assistance listing 21.023 on the Schedule of Expenditures of Federal Awards.

Criteria: Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 200.303 provides that non-federal entities must establish and maintain effective internal control that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Pursuant to 15 USC 9058a(d), Treasury is required to reallocate "excess" ERA 1 award funds. Treasury's objective in reallocations is to ensure ERA 1 award funds remain available to grantees in accordance with their jurisdictional needs and demonstrated capacity to deliver assistance while the ERA appropriations remain available.

The Nevada Housing Division (NHD) was required to submit financial information to Treasury, which were used to calculate various reallocation expenditure ratios. Reallocation expenditure ratios determines whether the grantee is subject to involuntary reallocation due to an insufficient ratio and the amount of excess funds subject to recapture by Treasury. In addition, reallocation ratios were used to determine the eligibility to receive reallocated funds.

Condition: NHD did not maintain documentation to support reallocation amounts submitted to Treasury in its application to receive reallocated funds. In addition, there was no segregation of duties in the preparation and review of amounts submitted.

Cause: NHD did not have internal controls to ensure supporting documentation for amounts reported to the awarding agency was maintained.

Effect: Amounts reported to the federal awarding agency for the reallocation expenditure ratios may be inaccurate, which may have impacted Treasury's reallocation determination.

Questioned Costs: None

Context/Sampling:	There was no sampling performed. All amounts reported with respect to reallocation were tested. No underlying documentation was available to review to validate any of the amounts reported.
Repeat Finding from Prior Year:	No
Recommendation:	We recommend NHD implement internal controls to ensure supporting documentation for amounts reported to the awarding agency is maintained.
Views of Responsible Officials:	The Nevada Housing Division disagrees with this finding.

2023-029: U.S. Department of Treasury
COVID-19 Homeowner Assistance Fund, 21.026

Subrecipient Monitoring
Material Weakness in Internal Control over Compliance

Grant Award Number:	Affects all grant awards included under assistance listing 21.026 on the Schedule of Expenditures of Federal Awards.
Criteria:	Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 200.332 requires that: Pass-through entities ensure every subaward includes certain information at the time of the subaward and that the award's assistance listing number is identified to the subrecipient at the time of disbursement. Pass-through entities evaluate each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring.
Condition:	Subawards and disbursements did not contain all the required information, an evaluation of each subrecipient's risk of noncompliance for purposes of determining the appropriate subrecipient monitoring was not performed.
Cause:	The Nevada Housing Division (NHD) did not have internal controls to ensure compliance with subrecipient monitoring requirements.
Effect:	Noncompliance at the subrecipient level may occur and not be detected.
Questioned Costs:	None
Context/Sampling:	The entire population of one subrecipient was selected for testing, which included one payment. The subaward was missing required information, a risk assessment was not performed, and the payment was missing the assistance listing number.
Repeat Finding from Prior Year:	Yes – prior year finding 2022-032.
Recommendation:	We recommend NHD implement internal controls to ensure compliance with subrecipient monitoring requirements.
Views of Responsible Officials:	The Nevada Housing Division agrees with this finding.

2023-030: U.S. Department of Treasury
COVID-19 Coronavirus State and Local Fiscal Recovery Fund, 21.027

Procurement, Suspension, and Debarment
Significant Deficiency in Internal Control over Compliance

Grant Award Number: Affects all grant awards included under assistance listing 21.027 on the Schedule of Expenditures of Federal Awards.

Criteria: Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) requires contracts contain the applicable provisions described in Appendix II to Part 200 for contracts under federal awards.

Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred.

Condition: Certain applicable provisions described in Appendix II to Part 200 were not included in contracts as required. Procedures were not followed to verify if an entity was suspended or debarred before entering into a covered transaction.

Cause: The Nevada State Purchasing Department (State Purchasing) did not have adequate internal controls to ensure contracts under federal awards contained all of the applicable provisions or to ensure procedures were followed to verify an entity was not suspended or debarred prior to entering into a covered transaction.

Effect: Contractors may not be aware of required terms and conditions. A covered transaction may be entered into with an entity or subrecipient that is suspended or debarred.

Questioned Costs: None

Context/Sampling: A nonstatistical sample of 60 procurement transactions out of approximately 1,500 was selected for testing, including 19 contracts subject to Appendix II to Part 200 and to suspension and debarment requirements (transactions that are not within the revenue loss eligible use criteria).

Ten out of 19 contracts subject to Appendix II to Part 200 were missing certain required contract provisions. One out of 19 vendors subject to suspension and debarment requirements were not verified for suspension and debarment prior to entering into a covered transaction.

Repeat Finding from Prior Year:	Yes – prior year finding 2022-034.
Recommendation:	We recommend State Purchasing enhance internal controls to ensure all contracts under federal awards contain the applicable provisions and procedures are followed to ensure entities are not suspended or debarred prior to entering into covered transactions.
Views of Responsible Officials:	The Nevada State Purchasing Department agrees with this finding.

2023-031: U.S. Department of Treasury
COVID-19 Coronavirus State and Local Fiscal Recovery Fund, 21.027

Reporting
Material Weakness in Internal Control over Compliance and Material Noncompliance

Grant Award Number: Affects all grant awards included under assistance listing 21.027 on the Schedule of Expenditures of Federal Awards.

Criteria: The *OMB Compliance Supplement* requires that reports submitted to the federal awarding agency include all activity of the reporting period, are supported by applicable accounting or performance records, and are fairly presented in accordance with governing requirements.

The Nevada Governor's Finance Office (GFO) must submit quarterly *Project and Expenditure Reports* that contain COVID-19 related costs and obligations incurred during the covered period. Critical information includes:

- Current period obligation
- Cumulative obligation
- Current period expenditure
- Cumulative expenditure
- Revenue Loss Calculation
- Capital Expenditures

Condition: Certain amounts included in the reports submitted did not agree to underlying support or underlying support for amounts reported were not maintained.

Cause: GFO did not have adequate internal controls to ensure *Project and Expenditure Reports* were reconciled to underlying supporting documentation.

Effect: Inaccurate information was reported to the federal awarding agency.

Questioned Costs: None

Context/Sampling: A nonstatistical sample of two *Project and Expenditure Reports* from a population of four was selected for testing. Variances were noted as follows for cumulative impacts:

Reporting Period Ended September 30, 2022:

	Amount Reported	Amount Supported by Underlying Documentation
Current Period Obligations	$117,487,595	$96,899,741
Cumulative Obligations	$693,688,130	$187,993,359

Reporting Period Ended March 31, 2023:

	Amount Reported	Amount Supported by Underlying Documentation
Current Period Obligations	$28,208,617	$27,909,659
Cumulative Obligations	$939,517,635	$443,459,939
Current Period Expenditures	$25,911,692	$57,487,724
Cumulative Expenditures	$540,583,461	$556,630,740

Repeat Finding from Prior Year: No

Recommendation: We recommend the GFO enhance internal controls to ensure *Project Expenditure Reports* are reconciled to underlying supporting documentation.

Views of Responsible Officials: The Nevada Governor's Finance Office agrees with this finding.

2023-032: U.S. Department of Treasury
COVID-19 Coronavirus State and Local Fiscal Recovery Fund, 21.027

Subrecipient Monitoring
Material Weakness in Internal Control over Compliance and Material Noncompliance

Grant Award Number: Affects all grant awards included under assistance listing 21.027 on the Schedule of Expenditures of Federal Awards.

Criteria: Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 200.332 requires that:

Pass-through entities ensure every subaward includes certain information at the time of the subaward and the assistance listing number is communicated at the time of disbursement to subrecipients.

Pass-through entities evaluate each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring.

Pass-through entities verify every subrecipient is audited as required by Uniform Guidance, issue management decisions for audit findings, as applicable, and ensure the subrecipient takes timely corrective action on all audit findings, as applicable.

Condition: Subawards were not entered into, assistance listing numbers were not communicated at the time of disbursement, an evaluation of the subrecipients risk for noncompliance for purposes of determining the appropriate subrecipient monitoring was not performed, and subrecipient audit reports were not reviewed.

Cause: Adequate internal controls were not in place to ensure compliance with subrecipient monitoring requirements for the following agencies:

- Governor's Finance Office
- Department of Agriculture
- Aging and Disability Services Division
- Division of Public and Behavioral Health

Effect: Noncompliance at the subrecipient level may occur and not be detected.

Questioned Costs: None

Context/Sampling:

A nonstatistical sample of 30 subrecipients out of a population of 146 across all State agencies was selected for testing. A nonstatistical sample of 60 pass-through payments out of a population of approximately 2,200 was selected for testing.

The following errors were noted by agency:

Governor's Finance Office
We tested 7 subrecipients applicable to Governors Finance Office and noted a risk assessment was not performed for one of the subrecipients tested.

Department of Agriculture
We tested 13 pass-through payments applicable to the Department of Agriculture where the assistance listing was required to be communicated. The assistance listing was not communicated at the time of disbursement for seven pass-through payments tested.

We tested 14 subrecipients applicable to the Department of Agriculture. A risk assessment was not performed for 12 subrecipients tested, a subaward agreement was not entered into for 11 subrecipients, and the subrecipient single audit report was not reviewed for one subrecipient.

Aging and Disability Services Division
We tested 2 pass-through payments applicable to the Nevada Aging and Disability Services Division. The assistance listing was not communicated at the time of disbursement for both pass-through payments tested.

Division of Public and Behavioral Health
We tested 2 pass-through payments applicable to the Division of Public and Behavioral Health. The assistance listing number was not communicated at the time of disbursement for both pass-through payments tested.

Repeat Finding from Prior Year:

Yes – prior year finding 2022-035.

Recommendation:

We recommend the State agencies listed above enhance internal controls to ensure compliance with subrecipient monitoring requirements.

Views of Responsible Officials:

The State of Nevada agrees with this finding.

2023-033: U.S. Department of Education
Title I Grants to Local Educational Agencies, 84.010

Matching, Level of Effort, and Earmarking
Material Weakness in Internal Control over Compliance and Material Noncompliance

Grant Award Number: Affects all grant awards included under assistance listing 84.010 on the Schedule of Expenditures of Federal Awards.

Criteria: Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 200.303 provides that non-federal entities must establish and maintain effective internal control that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

The U.S. Department of Education provides Local Educational Agency (LEA) allocation tables to the Nevada Department of Education (NDE) for basic grants, concentration grants, targeted grants, and education finance incentive grants based on LEA-level data from the Bureau of Census. NDE makes adjustments to those tables for specific items prescribed by 34 CFR section 200 such as:

- LEAs not on the census
- Hold harmless
- Newly opened or significantly expanded charter schools
- School improvement funds
- State administration

Condition: NDE did not maintain the original calculation of adjustments performed to the base LEA allocation tables. The amounts allocated to the LEAs were not supported by documentation maintained by NDE.

As part of our audit procedures, we requested NDE reperform the allocation adjustments. NDE reperformed the allocation adjustments but was unable to agree to the original allocations to the LEAs.

Cause: NDE did not have sufficient internal controls to ensure supporting documentation of the adjustments and allocations to LEAs was maintained.

Effect: LEAs may not receive the appropriate funding allocation.

Questioned Costs: None

Context/Sampling:

The original allocation workbook was not maintained and therefore could not be tested. However, NDE reperformed a new allocation after our request. We noted variances from the reperformed allocation to the original funding allocation across all 19 LEAs as follows:

- Basic grants had variances ranging from $11 to $2,896,904.
- Concentration grants had variances ranging from $0 to $110,980.
- Targeted grants had variances ranging from $2 to $3,439,895.
- Finance incentive grants had variances between $1 to $2,539,768.

The total amounts allocated were the same in the reperformed allocation when compared to the original allocation. Therefore, the ranges noted above represent both under and over allocation variances to the LEAs.

However, the census information (adjustments) used by NDE were not updated from the prior year in the reperformed allocation. Therefore, there is no information available to determine whether allocations to the LEAs were accurate in either the original allocation or reperformed allocation.

Repeat Finding from Prior Year:

No

Recommendation:

We recommend NDE enhance internal controls to ensure supporting documentation of the adjustments and allocations to LEAs is maintained.

Views of Responsible Officials:

The Nevada Department of Education agrees with this finding.

2023-034: U.S. Department of Education
Title I Grants to Local Educational Agencies, 84.010

Matching, Level of Effort, and Earmarking
Material Weakness in Internal Control over Compliance

Grant Award Number: Affects all grant awards included under assistance listing 84.010 on the Schedule of Expenditures of Federal Awards.

Criteria: Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 200.303 provides that non-federal entities must establish and maintain effective internal control that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

A Local Educational Agency (LEA) may receive funds under Title I only if the State Educational Agency (SEA) finds that the combined fiscal effort per student or the aggregate expenditures of the LEA from State and local funds for free public education for the preceding year was not less than 90 percent of the combined fiscal effort or aggregate expenditures for the second preceding year, unless specifically waived by the U.S. Department of Education (34 CFR section 299.5).

Condition: The Nevada Department of Education (NDE) did not maintain documentation, compiled from reports submitted by the LEAs, to monitor LEA compliance.

As part of our audit procedures, we requested NDE compile the information to determine whether LEAs had met their fiscal effort requirements and whether NDE was required to take any necessary actions for failures to meet the fiscal effort requirements.

Cause: NDE did not have sufficient internal controls to ensure maintenance of effort tracking was maintained and reviewed for accuracy and compliance.

Effect: Noncompliance with maintenance of effort requirements may not be detected and NDE may not make required funding adjustments.

If an LEA fails to maintain fiscal effort, NDE must reduce an LEA's allocation under Title I if the LEA also failed to maintain effort in one or more of the five immediately preceding fiscal years in the exact proportion by which the LEA fails to maintain effort by falling below 90 percent of both the combined fiscal effort per student and aggregate expenditures.

Questioned Costs:	None
Context/Sampling:	NDE compiled expenditure data for 19 LEAs after our request. We reviewed overall compliance for all 19 LEAs and a non-statistical sample of 4 LEAs was selected for testing by tracing to original reports. Amounts included in the calculation for one LEA did not agree to underlying supporting documentation by $2,493. However, this variance did not change the overall conclusion on compliance for the one LEA with its fiscal effort. All 19 LEAs were found to have met their fiscal effort.
Repeat Finding from Prior Year:	Yes – prior year finding 2022-037.
Recommendation:	We recommend NDE enhance internal controls to ensure information used in the maintenance of effort monitoring document is maintained and reviewed for accuracy and compliance.
Views of Responsible Officials:	The Nevada Department of Education agrees with this finding.

2023-035: U.S. Department of Education
COVID-19 Education Stabilization Fund, 84.425

Matching, Level of Effort, and Earmarking
Material Weakness in Internal Control over Compliance

Grant Award Number: Affects grant award *S425U210018* included under assistance listing 84.425 on the Schedule of Expenditures of Federal Awards.

Criteria: The *OMB Compliance Supplement* provides the following requirements:

- ESSER
  - A State Educational Agency (SEA) must allocate at least 90% of ESSER funds to Local Educational Agencies (LEA) using the statutorily prescribed formula.
- ARP ESSER
  - Under section 2001(f) of the ARP act, each SEA must reserve: (1) at least 5% of ARP ESSER funds for evidence-based interventions that address the academic impact of lost instructional time; (2) at least 1% of ARP ESSER funds for evidence-based summer enrichment programs; (3) at least 1% of ARP ESSER funds for evidence-based comprehensive after school programs.
- Allowances for Administrative Costs
  - Under section 18001(e) of the CARES act and section 313(e) of the CRRSA act, an SEA may reserve up to 0.5% of its total ESSER I and ESSER II allocations for administrative cost.
  - Under Section 2001(f)(4) of the ARP Act, an SEA may reserve not more than 0.5% of the state's total ARP ESSER award for administrative costs.
  - Under section 312(d)(5) of the CRRSA Act, an SEA may reserve up to 0.5% of it's total allocation or up to $200,000, whichever is greater, to administer the EANS program.

Condition: The Nevada Department of Education (NDE) did not meet the earmarking set aside for evidence-based summer enrichment programs and evidence-based after school programs. In addition, there is no evidence that compliance with the earmarking requirements (i.e., actual amounts meeting the allocations or that there could be future changes to allocated amounts) is monitored.

Cause: NDE did not have adequate internal controls to ensure earmarking requirements were initially met and to ensure on-going compliance was monitored.

Effect: Earmarking requirements were not met and may not be met in the future.

Questioned Costs: None

Context/Sampling:

We tested all earmarking computations required to be completed in State fiscal year 2023. There was no evidence of monitoring the earmarking requirements.

Under section 2001(f) of the ARP act, each SEA must reserve: (2) at least 1% of ARP ESSER funds for evidence-based summer enrichment programs; (3) at least 1% of ARP ESSER funds for evidence-based comprehensive after school programs.

- The minimum amount to allocate to evidence-based summer enrichment programs and evidence-based after school programs was $21,455,664 and the actual amount allocated was $20,040,662.

The allocated amounts above were identified and reported in the prior year. However, there was no evidence of adjustments to these allocations in the current year.

Repeat Finding from Prior Year:

Yes – prior year finding 2022-042.

Recommendation:

We recommend NDE enhance internal controls to ensure earmarking requirements are initially met and implement internal controls to ensure on-going compliance is monitored.

Views of Responsible Officials:

The Nevada Department of Education agrees with this finding.

2023-036: U.S. Department of Education
COVID-19 Education Stabilization Fund, 84.425

Matching, Level of Effort, and Earmarking
Material Weakness in Internal Control over Compliance and Material Noncompliance

Grant Award Number: Affects all grant awards included under assistance listing 84.425 on the Schedule of Expenditures of Federal Awards.

Criteria: Under section 317 of the CRRSA Act, a state that receives ESSER II, GEER II, or EANS funds under CRRSA Act must:

- Maintain state support for elementary and secondary education in fiscal year (FY) 2022 at least at the proportional level of the state's overall spending, averaged over FYs 2017, 2018, and 2019; and
- Maintain state support for higher education in FY 2022 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 2017, 2018, and 2019.

Under section 2004(a) of the ARP Act, a state that receives ARP ESSER funds must meet the above maintenance of effort (MOE) requirement in each of FYs 2022 and 2023.

The CRRSA and ARP Acts have two MOE baselines:

- Elementary and secondary education baseline, which averages the percentages of total spending that are used to support elementary and secondary education over the three baseline years (FYs 2017, 2018, and 2019).
- Higher education baseline, which averages percentages of total state spending that are used to support higher education over the three baseline years (FYs 2017, 2018, and 2019).

Condition: The Nevada Department of Education (NDE) did not maintain the underlying supporting documentation or reconciliations to support amounts reported for the maintenance of effort requirements.

NDE reported state expenditure amounts for elementary and secondary education as well as higher education, with a failure to meet the higher education maintenance of effort. However, as noted above, the amounts reported for state support for elementary and secondary education as well as higher education could not be verified.

Lastly, there was no evidence of review and approval (segregation of duties) between the preparer and the reviewer of the maintenance of effort calculations.

Cause:	NDE did not have internal controls to ensure maintenance of effort was tracked, complied with, and supporting documents maintained.
Effect:	Maintenance of effort requirements may not be met.
Questioned Costs:	None
Context/Sampling:	We tested all maintenance of effort computations required to be completed in State fiscal year 2023 (fiscal year 2022 amounts reported in fiscal year 2023). As noted above, the amounts reported could not be verified. However, NDE's reported amounts indicated that the higher education requirement was not met as follows: <u>State support for higher education</u> • Baseline percentage reported as 15.47% and actual percentage for state fiscal year 2022 was reported as 15.14%.
Repeat Finding from Prior Year:	Yes – prior year finding 2022-041.
Recommendation:	We recommend NDE implement internal controls to ensure maintenance of effort is tracked, complied with, and supporting documents maintained.
Views of Responsible Officials:	The Nevada Department of Education agrees with this finding.

2023-037: U.S. Department of Education
COVID-19 Education Stabilization Fund, 84.425

Reporting
Material Weakness in Internal Control over Compliance and Material Noncompliance

Grant Award Number: Affects all grant awards included under assistance listing 84.425 on the Schedule of Expenditures of Federal Awards.

Criteria: The *OMB Compliance Supplement* provides that State Educational Agencies submit annual reports over Governor's Emergency Education Relief (GEER), Elementary and Secondary School Emergency Relief (ESSER) Grants and Emergency Assistance to Non-Public Schools (EANS). Each report contains data on expenditures, planned expenditures, subrecipients, and use of funds, including for mandatory reservations.

Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 200.303 provides that non-federal entities must establish and maintain effective internal control that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition: Certain amounts included in the annual reports submitted for ESSER and EANS did not agree to underlying support or underlying support for amounts reported were not maintained. In addition, there was no evidence of review and approval (segregation of duties) between the preparer and reviewer of the reports for ESSER, EANS, and GEER.

Cause: The Nevada Department of Education (NDE) did not have internal controls to identify required information to be reported, ensure accuracy, or maintain adequate document retention to support compliance.

Effect: Inaccurate or incomplete information was reported to the federal awarding agency or was not reported timely.

Questioned Costs: None

Context/Sampling: All four annual reports required to be filed in the State fiscal year were selected for testing; two reports for ESSER, one for GEER and one for EANS. The errors for the submitted reports were noted as follows:

ESSER I Year 3 Annual Report

- Amounts reported for key line 5a – full time equivalent positions for Southern Nevada Public Television did not agree to underlying support submitted by the subrecipient. Positions were reported as 75.52 on September 30, 2021 rather than 71.52 as supported by the underlying information provided by the subrecipient (1 of 56 entities reported).

ESSER II Year 2 Annual Report

- Information reported for key line 3c – Criteria used to Allocate Funds to Schools within LEA for Pershing County School District did not agree to support submitted by the subrecipient (1 of 35 entities reported).
- Amounts reported were not supported by underlying documentation (not maintained or unusual variances not reconciled) for key line 5a – full time equivalent positions for White Pine County School District, College of Southern Nevada, Boys Town Nevada, Inc., The Achievement Network, Clark County Public Education Foundation, and Jobs for Nevada's Graduates (6 of the 35 entities reported).

EANS Year 2 Annual Report

- There was no underlying documentation or support maintained for any obligation amounts reported in Lines 13a, 13c, 13f, 13h, 13k, and 13l. The aggregate obligations reported were $3,302,124.
- Amounts reported for key line 15 – reporting on non-public schools receiving services or assistance under CCRSA EANS for Excel Christian School did not agree to support submitted by the subrecipient. Enrollment for the 19-20 school year was reported as 198 rather than the 191 as supported by the underlying information provided by the subrecipient (1 of 23 entities reported).

Lastly, there was no evidence of review and approval (segregation of duties) for the ESSER I Year 3 Annual Report, EANS Year 2 Annual Report, or the GEER Year 2 Annual Report.

Repeat Finding from Prior Year: Yes – prior year finding 2022-043.

Recommendation: We recommend NDE implement internal controls to identify required information to be reported, ensure accuracy, and maintain adequate document retention to support compliance.

Views of Responsible Officials: The Nevada Department of Education agrees with this finding.

2023-038: U.S. Department of Health and Human Services
Temporary Assistance for Needy Families, 93.558
COVID-19 Temporary Assistance for Needy Families, 93.558

Matching, Level of Effort, and Earmarking
Significant Deficiency in Internal Control over Compliance

Grant Award Number: Affects all grant awards included under assistance listing 93.558 on the Schedule of Expenditures of Federal Awards.

Criteria: Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 200.303 provides that non-federal entities must establish and maintain effective internal control that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

As provided by 45 CFR section 264.1, the average monthly number of families that include an adult or minor child head of household, or the spouse of the head of household, who has received assistance under any state program funded by federal TANF funds for more than 60 countable months (whether or not consecutive) may not exceed 20 percent of the average monthly number of all families to which the state provided assistance during the fiscal year or the immediately preceding fiscal year (but not both), as the state may elect.

Condition: The Division of Welfare and Supportive Services (DWSS) compiles the caseload criteria above in a *TANF NEON Cash Cases Hardship Report*. There was no evidence that this report was approved, reviewed, or otherwise monitored.

Cause: DWSS did not have internal controls to ensure caseload earmarking requirements are monitored.

Effect: Noncompliance with earmarking requirements may not be detected.

Questioned Costs: None

Context/Sampling: The caseload report was generated for the entire state fiscal year. The average cases with more than 60 countable months were 0.19% of the total cases for the state fiscal year, which is below the 20% maximum allowed. However, this report is generated internally by DWSS on a quarterly basis (and aggregated to be summarized annually), and there was no evidence of a review being performed.

Repeat Finding from Prior Year: No

Recommendation:	We recommend DWSS enhance internal controls to ensure caseload earmarking requirements are monitored.
Views of Responsible Officials:	The Division of Welfare and Supportive Services agrees with this finding.

2023-039: U.S. Department of Health and Human Services
Temporary Assistance for Needy Families, 93.558
COVID-19 Temporary Assistance for Needy Families, 93.558

Reporting
Material Weakness in Internal Control over Compliance and Material Noncompliance

Grant Award Number: Affects all grant awards included under assistance listing 93.558 on the Schedule of Expenditures of Federal Awards.

Criteria: The Federal Funding Accountability and Transparency Act (FFATA) requires direct recipients of certain federal awards to report subaward information by the end of the month following the month in which the prime awardee obligates a subgrant award equal to or greater than $30,000.

Condition: Required subaward information was not reported in the FFATA Subaward Reporting System (FSRS).

Cause: The Division of Welfare and Supportive Services (DWSS) did not have internal controls to ensure subaward information was submitted in accordance with the FFATA.

Effect: Subaward obligations were not reported in the FSRS, and, therefore, not included on the FFATA's website for public information disclosure.

Questioned Costs: None

Context/Sampling: A nonstatistical sample of three out of a population of nine applicable subaward obligations was selected for testing. The quantity and subaward obligation errors were noted as follows:

	Subawards	Obligations
Total Tested	3	$1,381,291
Not Reported	3	$1,381,291
Not Timely	3	$1,381,291
Obligation Incorrect	3	$1,381,291
Missing Key Elements	3	$1,381,291

Repeat Finding from Prior Year: No

Recommendation: We recommend DWSS implement internal controls to ensure subaward information is submitted in accordance with the FFATA.

Views of Responsible Officials: The Nevada Division of Welfare and Supportive Services agrees with this finding.

2023-040: U.S. Department of Health and Human Services
Temporary Assistance for Needy Families, 93.558
COVID-19 Temporary Assistance for Needy Families, 93.558

Subrecipient Monitoring
Material Weakness in Internal Control over Compliance

Grant Award Number: Affects all grant awards included under assistance listing 93.558 on the Schedule of Expenditures of Federal Awards.

Criteria: Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 200.332 requires that:

Pass-through entities monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, complies with the terms and conditions of the subaward, and achieves performance goals.

The Division of Welfare and Supportive Services (DWSS) has developed risk based subrecipient monitoring policies and procedures to provide for reasonable assurance that subrecipients are complying with federal requirements. These policies indicate that DWSS will perform an onsite review at least every three years, with higher risk subrecipients being subjected to increased frequency of review and oversight.

Condition: Certain subrecipients were identified as high risk by DWSS and were not subjected to higher frequency monitoring procedures as described by the DWSS policy, such as a desk review or on-site visit.

Cause: DWSS did not have adequate internal controls to ensure program staff had adequate capacity to perform monitoring procedures for subrecipients in accordance with DWSS policy.

Effect: Noncompliance at the subrecipient level may occur and not be detected.

Questioned Costs: None

Context/Sampling: A nonstatistical sample of three subrecipients out of a population of nine was selected for testing. Of the three subrecipients selected, two were deemed high risk by DWSS and neither were monitored through desk review or on-site review during the year.

Repeat Finding from Prior Year:	No
Recommendation:	We recommend DWSS implement internal controls to ensure program staff have adequate capacity to perform monitoring procedures for subrecipients in accordance with DWSS policy.
Views of Responsible Officials:	The Division of Welfare and Supportive Services agrees with this finding.

2023-041: U.S. Department of Health and Human Services
Child Support Enforcement, 93.563

Subrecipient Monitoring
Significant Deficiency in Internal Control over Compliance

Grant Award Number: Affects all grant awards included under assistance listing 93.563 on the Schedule of Expenditures of Federal Awards.

Criteria: Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 200.332 requires that:

Pass-through entities ensure every subaward includes certain information at the time of the subaward.

Condition: Subawards did not contain all the required information.

Cause: The Division of Welfare and Supportive Services (DWSS) did not have internal controls to ensure subawards contained all required information.

Effect: The subrecipient may not be aware of all requirements and noncompliance could occur.

Questioned Costs: None

Context/Sampling: A nonstatistical sample of three subrecipients out of a population of 15 was selected for testing. All three subrecipient agreements were missing required elements per 2 CFR 200.332. The items missing from the agreements were:

- Federal Award Identification Number
- Subrecipient Unique Entity Identifier
- Indirect Cost Rate
- Federal Award Date

Repeat Finding from Prior Year: No

Recommendation: We recommend DWSS implement internal controls to ensure subawards contain all required information.

Views of Responsible Officials: The Division of Welfare and Supportive Services agrees with this finding.

2023-042: U.S. Department of Health and Human Services
Low-Income Home Energy Assistance, 93.568
COVID-19 Low-Income Home Energy Assistance, 93.568

Cash Management
Significant Deficiency in Internal Control over Compliance

Grant Award Number:	Affects all grant awards included under assistance listing 93.568 on the Schedule of Expenditures of Federal Awards.
Criteria:	Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 200.303 provides that non-federal entities must establish and maintain effective internal control that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.
Condition:	Certain reimbursement requests were not reviewed and approved by an individual independent of the preparation of the request.
Cause:	The Nevada Division of Welfare and Supportive Services (DWSS) did not have adequate internal controls to ensure all reimbursement requests were reviewed and approved.
Effect:	Inaccurate reimbursement requests may occur and not detected by DWSS timely.
Questioned Costs:	None
Context/Sampling:	A nonstatistical sample of 29 reimbursement requests out of a population of 141 was selected for testing. Six reimbursement requests did not have the evidence of review and approval by an individual independent of the preparation (segregation of duties).
Repeat Finding from Prior Year:	Yes – prior year finding 2022-047.
Recommendation:	We recommend DWSS enhance internal controls to ensure all reimbursement requests are reviewed and approved in accordance with the Division's internal control policy.
Views of Responsible Officials:	The Nevada Division of Welfare and Supportive agrees with this finding.

2023-043: U.S. Department of Health and Human Services
Low-Income Home Energy Assistance, 93.568
COVID-19 Low-Income Home Energy Assistance, 93.568

Eligibility
Significant Deficiency in Internal Control over Compliance

Grant Award Number: Affects all grant awards included under assistance listing 93.568 on the Schedule of Expenditures of Federal Awards.

Criteria: As provided by 42 USC 8624(b)(2), assistance may be provided to:

- Households in which one or more individuals are receiving Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), Supplemental Nutrition Assistance Program (SNAP) benefits, or certain needs-tested veterans' benefits or;
- Households with incomes which do not exceed the greater of 150% of the State's established poverty level, or 60% of the State's median income. Lower income eligibility criteria may be established, but no household may be excluded solely on the basis of income if the household income is less than 110% of the State's poverty level.

The *Low-Income Home Energy Assistance State Plan* (State Plan) establishes and describes assistance benefit levels, which provides for the calculation of a Fixed Annual Credit (FAC) and ultimately, the amount of assistance provided.

Condition: The amount of assistance to provide was not calculated correctly.

Cause: The Nevada Division of Welfare and Supportive Services (DWSS) did not have adequate internal controls to ensure annual and eligible income were correctly reflected.

Effect: Benefits were not computed accurately and over disbursed.

Questioned Costs: $307

Context/Sampling: A nonstatistical sample of 60 recipients ($66,234 benefits paid) out of a population of 12,285 ($16,985,706 benefits paid) was selected for testing. For one recipient, the annual and eligible income was reflected as $0. However, the annual and eligible income should have been $13,404 as supported by the case file, which impacted the benefit calculation and resulted in the over payment.

Repeat Finding from Prior Year: Yes – prior year finding 2022-049.

Recommendation:	We recommend DWSS enhance internal controls to ensure annual and eligible income is correctly reflected.
Views of Responsible Officials:	The Nevada Division of Welfare and Supportive Services agrees with this finding.

2023-044: U.S. Department of Health and Human Services
Low-Income Home Energy Assistance, 93.568
COVID-19 Low-Income Home Energy Assistance, 93.568

Reporting
Material Weakness in Internal Control over Compliance and Material Noncompliance

Grant Award Number:	Affects all grant awards included under assistance listing 93.568 on the Schedule of Expenditures of Federal Awards.
Criteria:	The *OMB Compliance Supplement* requires that reports submitted to the federal awarding agency include all activity of the reporting period, are supported by underlying accounting information, and are presented in accordance with program requirements. The Nevada Division of Welfare and Supportive Services (DWSS) is required to submit the *LIHEAP Performance Data Form* each year, which indicates the amount expected to be carried forward for obligation in the following fiscal year and the planned use of those funds and the sources and uses of LIHEAP funds, respectively.
Condition:	Amounts reported for weatherization assistance benefits, unobligated funds, and administration costs did not have underlying documentation to support the amount reported.
Cause:	DWSS did not have adequate internal controls to ensure amounts reported on the *LIHEAP Performance DATA Form* were appropriately supported.
Effect:	Inaccurate information may have been reported to the federal awarding agency.
Questioned Costs:	None
Context/Sampling:	The one annual report submitted during the audit period was selected for testing. Weatherization Assistance Benefits of $617,842, Unobligated Funds of $286,708, and Administration Costs of $995,181 had no supporting documentation available to show how amounts were determined.
Repeat Finding from Prior Year:	No
Recommendation:	We recommend DWSS enhance internal controls to ensure amounts reported on the *LIHEAP Performance Data Form* are appropriately supported.
Views of Responsible Officials:	The Nevada Division of Welfare and Supportive Services agrees with this finding.

2023-045: U.S. Department of Health and Human Services
Low-Income Home Energy Assistance, 93.568
COVID-19 Low-Income Home Energy Assistance, 93.568

Reporting
Material Weakness in Internal Control over Compliance and Material Noncompliance

Grant Award Number: Affects grant awards *2101NVLIEA* and *2201NVLIEA 2022G992201* on the Schedule of Expenditures of Federal Awards.

Criteria: The *OMB Compliance Supplement* requires that reports submitted to the federal awarding agency include all activity of the reporting period, are supported by underlying accounting information, and are presented in accordance with program requirements.

The Nevada Division of Welfare and Supportive Services (DWSS) is required to submit the *LIHEAP Carryover and Reallotment Report* each year, which indicates the amount expected to be carried forward for obligation in the following fiscal year and the planned use of those funds and the sources and uses of LIHEAP funds, respectively.

Condition: The projected unobligated balance (carryover amount) had no underlying documentation or support the amount.

Cause: DWSS did not have internal controls to ensure amounts reported on the *LIHEAP Carryover and Reallotment Report* were adequately documented and supported.

Effect: Inaccurate information may have been reported to the federal awarding agency.

Questioned Costs: None

Context/Sampling: The one annual report submitted during the audit period was selected for testing. The following variances were noted on the report:

	Amount Reported	Amount per Reconciliation
Line 1.1 – Current Year payable	$15,545,877	$15,012,533
Line 1.3 – Projected unobligated balance	$286,709	$999,808

No explanation for the reconciling items between the reconciliation amounts and the amounts ultimately reported were provided.

Repeat Finding from Prior Year: Yes – prior year finding 2022-050.

Recommendation:	We recommend DWSS implement internal controls to ensure amounts reported on the *LIHEAP Carryover and Reallotment Report* are adequately documented and supported.
Views of Responsible Officials:	The Nevada Division of Welfare and Supportive Services agrees with this finding.

2023-046: U.S. Department of Health and Human Services
Low-Income Home Energy Assistance, 93.568
COVID-19 Low-Income Home Energy Assistance, 93.568

Reporting
Material Weakness in Internal Control over Compliance and Material Noncompliance

Grant Award Number: Affects grant awards *2101NVLIEA*, *2201NVLIEA 2022G992201*, *2301NVLIEA*, *2301NVLIEE*, and *2101NVE5C6* included under assistance listing 93.568 on the Schedule of Expenditures of Federal Awards.

Criteria: The Federal Funding Accountability and Transparency Act (FFATA) requires direct recipients of certain federal awards to report subaward information by the end of the month following the month in which the prime awardee obligates a subgrant award equal to or greater than $30,000.

Condition: Required subaward information was not reported in the FFATA Subaward Reporting System (FSRS).

Cause: The Nevada Housing Division (NHD) did not have internal controls to ensure subaward information was submitted in accordance with the FFATA.

Effect: Subaward obligations were not reported in the FSRS and therefore not included on the FFATA's website for public information disclosure.

Questioned Costs: None

Context/Sampling: We tested the entire population of 4 subawards obligated during the year. The quantity and subaward obligation errors were noted as follows:

	Subawards	Obligations
Total Tested	4	$1,398,599
Not Reported	4	$1,398,599
Not Timely	4	$1,398,599
Obligation Incorrect	4	$1,398,599
Missing Key Elements	4	$1,398,599

Repeat Finding from Prior Year: Yes – prior year finding 2022-051.

Recommendation: We recommend NHD implement internal controls to ensure subaward information is submitted in accordance with the FFATA.

Views of Responsible Officials: The Nevada Housing Division agrees with this finding.

2023-047: U.S. Department of Health and Human Services
CCDF Cluster:
Child Care and Development Block Grant, 93.575
COVID-19 Child Care and Development Block Grant, 93.575
Child Care Mandatory and Matching Funds of the Child Care and Development Fund, 93.596

Matching, Level of Effort, and Earmarking
Significant Deficiency in Internal Control over Compliance

Grant Award Number: Affects all grant awards included under assistance listing 93.596 on the Schedule of Expenditures of Federal Awards.

Criteria: Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 200.303 provides that non-federal entities must establish and maintain effective internal control that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Applicable to the matching fund (assistance listing 93.596), state expenditures will be matched at the Federal Medical Assistance Percentage (FMAP) rate for the applicable fiscal year. Private or public donated funds may be counted as state expenditures for this purpose subject to the limitations in 45 CFR section 98.53.

Condition: The Division of Welfare and Supportive Services (DWSS) utilizes donated in-kind services from partner agencies and subrecipients to satisfy the match requirement for the matching fund. The in-kind services are cumulatively tracked and applied against the required match.

During our audit procedures, we noted instances where the amount reported for matching expenditures did not agree to the in-kind cumulative tracker and instances where the underlying support (certified match letters received from partner agencies and subrecipients) did not agree to the tracker.

Cause: DWSS did not have adequate internal controls to ensure the in-kind service match amounts are reconciled and reported accurately.

Effect: Inaccurate amounts available for match may be maintained and may impact whether the matching requirement is met.

Questioned Costs: None

Context/Sampling:	The matching fund was tested for the federal fiscal year 2020 matching grant, which had a period performance end of September 30, 2022. The match initially required was $6,252,334 (later adjusted in a final report to $7,233,384). The match reconciled in the cumulative balance tracker was $5,858,548. The match contributed from partner agencies and subrecipients was noted as $28,506,852; however, not all of the amounts tracked agreed to the underlying support. Although, $20,190,154 was agreed to the underlying support, which was sufficient to meet the matching requirement.
Repeat Finding from Prior Year:	No
Recommendation:	We recommend DWSS enhance internal controls to ensure in-kind service match amounts are reconciled and reported accurately.
Views of Responsible Officials:	The Division of Welfare and Supportive Services agrees with this finding.

2023-048: U.S. Department of Health and Human Services
CCDF Cluster:
Child Care and Development Block Grant, 93.575
COVID-19 Child Care and Development Block Grant, 93.575
Child Care Mandatory and Matching Funds of the Child Care and Development Fund, 93.596

Reporting
Material Weakness in Internal Control over Compliance

Grant Award Number: Affects all grant awards included under assistance listings 93.575 and 93.596 on the Schedule of Expenditures of Federal Awards.

Criteria: The *OMB Compliance Supplement* requires that reports submitted to the federal awarding agency include all activity of the reporting period, are supported by underlying accounting information or performance records, and are fairly presented in accordance with governing requirements.

The Division of Welfare and Supportive Services (DWSS) must submit the *ACF-696, Child Care and Development Fund Financial Reports* quarterly.

Condition: Certain amounts reported on the ACF-696 did not agree to underlying documentation.

Cause: DWSS did not have internal controls to ensure the amounts reported were adequately documented and supported.

Effect: Inaccurate information was reported to the federal awarding agency.

Questioned Costs: None

Context/Sampling: A nonstatistical sample of four reports out of a population of 14 submitted during the audit period was selected for testing. Variances were noted as follows:

Quarter Ended September 30, 2022 (FFY2021 – 2101NVCCDF)

	Amount Reported	Amount per General Ledger
Line 1d – Direct Services (Col C)	$17,839,132	$17,912,019

Quarter Ended March 31, 2023 (FFY2020 – 2001NVCCDF)

	Amount Reported	Amount per General Ledger
Line 1 – Total Expenditures (Col B)	$16,920,153	$23,235,306
Line 1d – Direct Services (Col B)	$15,304,717	$16,294,920
Line 2a – State Expenditures (Col B)	$625,234	$6,940,386

Repeat Finding from Prior Year: Yes – prior year finding 2022-053.

Recommendation: We recommend DWSS implement internal controls to ensure the amounts reported are adequately documented and supported.

Views of Responsible Officials: The Division of Welfare and Supportive Services agrees with this finding.

2023-049: U.S. Department of Health and Human Services
CCDF Cluster:
Child Care and Development Block Grant, 93.575
COVID-19 Child Care and Development Block Grant, 93.575
Child Care Mandatory and Matching Funds of the Child Care and Development Fund, 93.596

Reporting
Material Weakness in Internal Control over Compliance and Material Noncompliance

Grant Award Number: Affects all grant awards included under assistance listings 93.575 and 93.596 on the Schedule of Expenditures of Federal Awards.

Criteria: The Federal Funding Accountability and Transparency Act (FFATA) requires direct recipients of certain federal awards to report subaward information by the end of the month following the month in which the prime awardee obligates a subgrant award equal to or greater than $30,000.

Condition: Required subaward information was not reported in the FFATA Subaward Reporting System (FSRS).

Cause: The Division of Welfare Supportive Services (DWSS) did not have internal controls to ensure subaward information was submitted in accordance with the FFATA.

Effect: Subaward obligations were not reported in the FSRS, and, therefore, not included on the FFATA's website for public information disclosure.

Questioned Costs: None

Context/Sampling: A nonstatistical sample of three out of a population of six applicable subaward obligations was selected for testing. The quantity and subaward obligation errors were noted as follows:

	Subawards	Obligations
Total Tested	3	$135,360,827
Not Reported	3	$135,360,827
Not Timely	3	$135,360,827
Obligation Incorrect	3	$135,360,827
Missing Key Elements	3	$135,360,827

Repeat Finding from Prior Year: Yes – prior year finding 2022-054.

Recommendation: We recommend DWSS implement internal controls to ensure subaward information is submitted in accordance with the FFATA.

Views of Responsible Officials:	The Division of Welfare and Supportive Services agrees with this finding.

2023-050: U.S. Department of Health and Human Services
Foster Care – Title IV-E, 93.658
Adoption Assistance, 93.659

Allowable Costs/Cost Principles
Significant Deficiency in Internal Control over Compliance

Grant Award Number: Affects all grant awards included under assistance listing 93.658 and 93.659 on the Schedule of Expenditures of Federal Awards.

Criteria: Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) provides that a State must claim federal financial participation for costs associated with a program only in accordance with its approved cost allocation plan. Since cost allocation plans are of a narrative nature, the Federal government needs assurance that the cost allocation plan has been implemented as approved.

Condition: Allocation methods used in cost allocation did not agree to the approved cost allocation plan, amounts allocated did not agree to the general ledger, and allocation statistics did not agree to underlying support.

Cause: The Nevada Division of Child and Family Services (DCFS) did not have adequate internal controls to ensure costs were allocated accurately and in accordance with the cost allocation plan.

Effect: Costs may be charged to the federal programs that do not agree to the cost allocation plan.

Questioned Costs: Foster Care - $24,025
Adoption Assistance - $30,475

Context/Sampling: A nonstatistical sample of two out of four quarters was selected for testing (the September 30, 2022 and March 31, 2023 quarters). In summary, errors were noted as follows:

- Two allocation methods did not agree to the submitted cost allocation plan. Rural Case Management Contracts are not included within the cost allocation plan and Temporary Staffing Contracts are direct to a different grant per the cost allocation plan, but were actually allocated as a result of RMS.
- Total costs allocated (across all programs) in budget account 3145 were overstated by $69,615 in the September 30, 2022 quarter and were understated by $2,297 in the March 31, 2023 quarter when agreeing amounts to the general ledger.

- Two allocation statistics did not agree to the underlying supporting documentation that impacted the allocation percentages by 0.32% and .02% for two allocation methods in the March 31, 2023 cost allocation. These ultimately represented an under allocation to federal programs.

Repeat Finding from Prior Year: Yes – prior year finding 2022-056.

Recommendation: We recommend DCFS enhance internal controls to ensure costs are allocated accurately and in accordance with the cost allocation plan.

Views of Responsible Officials: The Nevada Division of Child and Family Services agrees with this finding.

2023-051: U.S. Department of Health and Human Services
Foster Care – Title IV-E, 93.658

Reporting
Significant Deficiency in Internal Control over Compliance

Grant Award Number: Affects grant awards 2301NVFOST and G-2201NVFOST included under assistance listing 93.658 on the Schedule of Expenditures of Federal Awards.

Criteria: The Federal Funding Accountability and Transparency Act (FFATA) requires direct recipients of certain federal awards to report subaward information by the end of the month following the month in which the prime awardee obligates a subgrant award equal to or greater than $30,000.

Condition: Required subaward information was not reported timely in the FFATA Subaward Reporting System (FSRS).

Cause: The Nevada Division of Child and Family Services (DCFS) did not have internal controls to ensure subaward information was submitted timely in accordance with the FFATA.

Effect: Subaward obligations were not reported in the FSRS timely and therefore delayed on the FFATA's website for public information disclosure.

Questioned Costs: None

Context/Sampling: We tested the entire population of three subawards greater than $30,000 obligated during the year. The timeliness errors were noted as follows:

	Subawards	Obligations
Total Tested	3	$41,017,389
Not Reported	-	-
Not Timely	2	$36,980,730
Obligation Incorrect	-	-
Missing Key Elements	-	-

The obligation date for the non-timely subawards was September 2022 and they were reported in January 2023.

Repeat Finding from Prior Year: Yes – prior year finding 2022-057.

Recommendation: We recommend DCFS implement internal controls to ensure subaward information is submitted timely in accordance with the FFATA.

Views of Responsible Officials:	The Nevada Division of Child and Family Services agrees with this finding.

2023-052: U.S. Department of Health and Human Services
Foster Care – Title IV-E, 93.658

Subrecipient Monitoring
Significant Deficiency in Internal Control over Compliance

Grant Award Number:	Affects all grant awards included under assistance listings 93.658 on the Schedule of Expenditures of Federal Awards.
Criteria:	Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 200.332 requires that pass-through entities ensure that every subaward includes certain information at the time of the subaward and that the award's assistance listing number is identified to the subrecipient at the time of disbursement.
Condition:	The assistance listing number was not identified at the time of disbursement.
Cause:	The Division of Child and Family Services (DCFS) did not have adequate internal controls to ensure the assistance listing number was communicated on each disbursement to a subrecipient.
Effect:	The subrecipient may not identify program receipts appropriately.
Questioned Costs:	None
Context/Sampling:	A nonstatistical sample of six subrecipient payments out of a population of 24 was selected for testing. The assistance listing number was not communicated on any of the payments.
Repeat Finding from Prior Year:	Yes – prior year finding 2022-058.
Recommendation:	We recommend DCFS enhance internal controls to ensure the assistance listing number is communicated on each disbursement to a subrecipient.
Views of Responsible Officials:	The Nevada Division of Child and Family Services agrees with this finding.

2023-053: U.S. Department of Health and Human Services
Children's Health Insurance Program (CHIP), 93.767

Eligibility
Material Weakness in Internal Control over Compliance

Grant Award Number: Affects all grant awards included under assistance listing 93.767 on the Schedule of Expenditures of Federal Awards.

Criteria: Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 200.303 provides that non-federal entities must establish and maintain effective internal control that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

States are required to determine eligibility in accordance with the eligibility requirements defined in the approved State plan (42 CFR 457). The State plan describes certain aid categories, including the eligibility criteria and potential benefits allowed under the aid categories for eligible individuals.

Condition: To enroll in CHIP, a beneficiary must apply for benefits to the Nevada Division of Welfare and Supportive Services (DWSS). An intake employee will review, timestamp, and input the application or redetermination into a casefile to provide for a second review of the application or redetermination by a supervisor.

A redetermination was not always maintained to allow for the review by a supervisor.

Cause: DWSS did not have adequate internal controls to ensure applications and redeterminations were properly documented and maintained.

Effect: Individuals may receive benefits that they are not entitled to or not receive benefits for which they are entitled to.

Questioned Costs: None

Context/Sampling: A nonstatistical sample of 60 out of a population of 32,339 eligible participants was selected for testing. One individual did not have an application or redetermination available for review. However, other supporting documentation was maintained that ultimately supported the eligibility determination and conclusion.

Repeat Finding from Prior Year:	Yes – prior year finding 2022-059.
Recommendation:	We recommend DWSS enhance internal controls to ensure applications and redeterminations are properly documented and maintained.
Views of Responsible Officials:	The Nevada Division of Welfare and Supportive Services agrees with this finding.

2023-054: U.S. Department of Health and Human Services
Children's Health Insurance Program (CHIP), 93.767
Medicaid Cluster:
State Medicaid Fraud Control Units, 93.775
State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare, 93.777
Medical Assistance Program (Medicaid; Title XIX), 93.778

Eligibility
Material Weakness in Internal Control over Compliance

Grant Award Number: Affects all grant awards included under assistance listing 93.767 and 93.778 on the Schedule of Expenditures of Federal Awards.

Criteria: Title 42 *Public Health* section 435.403 *State Residence* provides that the State must provide Medicaid to eligible residents of the State, including residents who are absent from the State, except in cases where another state has determined that the person is a resident there for purposes of Medicaid.

The Medicaid State Plan provides that the State has an eligibility determination system for data matching through the Public Assistance Reporting Information System (PARIS). The information that is requested is to be exchanged with states and other entities legally entitled to verify Title XIX applications and individuals eligible for covered Title XIX services consistent with applicable PARIS agreements. The State will transmit and receive data quarterly (February, May, August, and November).

The State enrolls beneficiaries on a mandatory basis into managed care entities (managed care organizations and/or primary care case managers) in the absence of certain allowable waivers. The State contracts with managed care organizations and reimburses them for capitation payments.

Condition: PARIS data was not utilized by the Division of Health Care Financing and Policy (DHCFP) or the Division of Welfare and Supportive Services (DWSS) to monitor residency changes to determine when managed care benefits needed to be terminated because the beneficiary was a resident of another state for Medicaid purposes.

Cause: DHCFP and DWSS did not have internal controls in place to effectively communicate the PARIS data between the two agencies to ensure managed care benefits were terminated when appropriate.

Effect: Individuals are enrolled in Medicaid (and CHIP) plans in multiple states and benefits are not being terminated timely. Therefore, the State of Nevada is paying capitation payments to managed care organizations, when the benefits should have been terminated.

Questioned Costs: Projected questioned costs are $11,108,851 for Medicaid and $139,223 for CHIP.

Context/Sampling: No sampling was used. The PARIS data was obtained and examined in total. The PARIS data included 55,251 participants with dual enrollment. Of those 55,251 participants, 8,439 participants were enrolled in another state after the State of Nevada. The projected questioned costs were estimated by performing the following:

- Identifying individuals who enrolled in another state after they had enrolled in Nevada (termination date for Nevada).
- Estimating a weighted average capitation payment based on demographics that determine the payment amount.
- Applying the weighted average capitation payments from the termination date through June 30, 2023 to determine the total projected questioned costs.
- The total projected questioned costs were then allocated between Medicaid and CHIP using participant counts in each plan between the ages of 0-18. Participants older than 18 were allocated to Medicaid. The allocated projected questioned costs were then multiplied by a weighted average Federal Medical Assistance Percentage (FMAP) to determine the final projected federal questioned costs.

Repeat Finding from Prior Year: Yes – prior year finding 2022-061.

Recommendation: We recommend DHCFP and DWSS implement internal controls to effectively communicate the PARIS data between each other and to ensure managed care benefits are terminated when appropriate.

Views of Responsible Officials: The Division of Health Care Financing and Policy and the Division of Welfare and Supportive Services agrees with this finding.

2023-055: U.S. Department of Health and Human Services
Medicaid Cluster:
State Medicaid Fraud Control Units, 93.775
State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare, 93.777
Medical Assistance Program (Medicaid; Title XIX), 93.778

Allowable Activities and Allowable Costs/Cost Principles
Material Weakness in Internal Control over Compliance

Grant Award Number: Affects all grant awards included under assistance listing 93.778 on the Schedule of Expenditures of Federal Awards.

Criteria: Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 200.403 provides that costs must be adequately documented to support the allowability of the cost.

Condition: Underlying supporting documentation for certain administrative costs was not maintained by the Division of Health Care Financing and Policy (DHCFP).

Cause: DHCFP did not have adequate internal controls to ensure supporting documentation for administrative expenditures was maintained.

Effect: Administrative costs were charged to the federal program without appropriate supporting documentation.

Questioned Costs: $5,459

Context/Sampling: A nonstatistical sample of 60 transactions ($634,037) out of a population of 4,335 transactions ($134,939,132) was selected for testing. No documentation was available to support seven transactions, totaling $5,459, that were charged to the federal program. These charges included general ledger descriptions of:

- Per diem in-state
- Annual leave
- Building and grounds lease assessment
- IT virtual server hosting
- IT security assessment

Of the seven transactions, five were journal vouchers that did not contain the underlying support for the journal voucher. One transaction was coded as a direct payment voucher and one transaction was coded as an expenditure to a cash receipt (rather than payment voucher).

Repeat Finding from Prior Year: No

Recommendation:	We recommend DHCFP enhance internal controls to ensure supporting documentation for administrative expenditures is maintained.
Views of Responsible Officials:	The Division of Health Care Financing and Policy agrees with this finding.

2023-056: U.S. Department of Health and Human Services
Medicaid Cluster:
State Medicaid Fraud Control Units, 93.775
State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare, 93.777
Medical Assistance Program (Medicaid; Title XIX), 93.778

Eligibility
Material Weakness in Internal Control over Compliance

Grant Award Number: Affects all grant awards included under assistance listing 93.778 on the Schedule of Expenditures of Federal Awards.

Criteria: Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 200.303 provides that non-federal entities must establish and maintain effective internal control that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

States are required to determine eligibility in accordance with the eligibility requirements defined in the approved State plan (42 CFR 457). The State plan describes certain aid categories, including the eligibility criteria and potential benefits allowed under the aid categories for eligible individuals.

Condition: To enroll in Medicaid, a beneficiary must apply for benefits to the Nevada Division of Welfare and Supportive Services (DWSS). An intake employee will review, timestamp, and input the application or redetermination into a casefile to provide for a second review of the application or redetermination by a supervisor.

In certain instances, the application or redetermination was either not properly filed or not maintained to allow for review by a supervisor.

Cause: DWSS did not have adequate internal controls to ensure applications and redeterminations were properly documented and maintained.

Effect: Individuals may receive benefits that they are not entitled to or not receive benefits for which they are entitled to.

Questioned Costs: None

Context/Sampling:	A nonstatistical sample of 60 out of a population of 74,760 Modified Adjusted Gross Income (MAGI) based determinations was selected for testing. Two applications were not properly indexed or maintained in the casefile to allow for review by a supervisor. However, the other supporting documentation was maintained that ultimately supported the eligibility determination and conclusion.
Repeat Finding from Prior Year:	No
Recommendation:	We recommend DWSS enhance internal controls to ensure applications and redeterminations are properly documented and maintained.
Views of Responsible Officials:	The Nevada Division of Welfare and Supportive Services agrees with this finding.

2023-057: U.S. Department of Health and Human Services
Medicaid Cluster:
State Medicaid Fraud Control Units, 93.775
State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare, 93.777
Medical Assistance Program (Medicaid; Title XIX), 93.778

Reporting
Material Weakness in Internal Control over Compliance and Material Noncompliance

Grant Award Number: Affects all grant awards included under assistance listing 93.778 on the Schedule of Expenditures of Federal Awards.

Criteria: The *OMB Compliance Supplement* requires that reports submitted to the federal awarding agency include all activity of the reporting period, are supported by underlying accounting information, and are presented in accordance with program requirements.

The Nevada Division of Health Care Financing and Policy (DHCFP) is required to submit *Quarterly Medicaid Statement of Expenditures for the Medical Assistance Program* (CMS-64) reports based on actual recorded expenditures (42 CFR 430.30).

Condition: Amounts reported on the CMS-64 were not supported by the underlying accounting information.

Cause: DHCFP did not have adequate internal controls to ensure CMS-64 reports were accurate or supporting documentation for reconciling items was maintained.

Effect: Inaccurate information may be reported to the federal awarding agency.

Questioned Costs: None

Context/Sampling: A nonstatistical sample of two CMS-64 reports out of a population of four was selected for testing. DHCFP has manual adjustments to key line items within the CMS-64 from the general ledger. DHCFP did not maintain a record of any of the manual adjustments and we were unable to verify whether the manual adjustment was appropriate. In total, there were $36,128,957 in manual adjustments in the December 31, 2022 CMS-64 report and $5,364,337 in the March 31, 2023 CMS-64 report that we were unable to verify.

Repeat Finding from Prior Year: Yes – prior year finding 2022-062.

Recommendation:	We recommend DHCFP enhance internal controls to ensure CMS-64 reports are accurate and supporting documentation is maintained.
Views of Responsible Officials:	The Nevada Division of Health Care Financing and Policy agrees with this finding.

Management's Response to Auditor's Findings:
Status of Prior Audit Findings and Corrective Action Plans
June 30, 2023

Prepared by Management of

Nevada State Agencies

Management's Response to Auditor's Findings

Status of Prior Audit Findings A-1
Corrective Action Plans A-123

ANDY MATTHEWS
Controller

STATE OF NEVADA

JAMES SMACK
Chief Deputy Controller

OFFICE OF THE
STATE CONTROLLER

September 10, 2025

Eide Bailly LLP
5441 Kietzke Lane
Reno, NV 89511

Dear Sirs:

In accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), please accept the following Summary Schedule of Prior Audit Findings for the year ended June 30, 2023.

2022-001, 2021-017: **Controller's Office**
Overall Risk Assessment and Monitoring Activities
Material Weakness

Initial Fiscal Year Finding Occurred: 2021

Finding Summary: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting.

Analysis and review of financial reporting information received by the Controller's Office from the various state agencies is not operating effectively.

Financial reporting information received from the various state agencies is frequently misstated or otherwise in error. However, the State of Nevada Controller's Office does not have adequate internal controls to effectively analyze and review this information. In some cases, information is compiled for financial reporting without adequate review and follow-up with state agencies for potential material errors.

Materially misstated information is compiled and recorded for financial reporting. As a result, our audit procedures identified adjustments for:

- Cash and Investments
- Accounts Receivable
- Capital Assets
- Accounts Payable

- Unearned Revenue
- Unavailable Revenue
- Revenue
- Expenses

We recommend the Controller's Office enhance internal controls to effectively analyze and review information received from the various state agencies.

State's Response: The State Controller's Office will enhance and actively maintain a completed timeline for routine procedures. Additionally, all documents submitted to the State Controller's Office from other state agencies will be analyzed for reasonableness, compared to prior year balances, and checked for mathematical errors.

Date of Completion or Estimated Completion: November 2025

Status: Not Corrected.

2022-002, 2021-004, 2021-005, 2020-003, 2019-005:

Controller's Office
Cash and Investments – Reconciliation, Classification and Disclosures
Material Weakness

Initial Fiscal Year Finding Occurred: 2019

Finding Summary: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Properly reconciling bank accounts in a timely and accurate manner is a key component of effective internal control over financial reporting. In addition, proper classification of cash and investment balances and accuracy of disclosure is necessary for the preparation of financial statements in accordance with U.S. GAAP and to prevent misappropriation of assets.

The June 30, 2022 bank reconciliation for the outside bank accounts includes an unexplained variance of $19,331,785 between the book balance and the bank balance.

In addition, there were items not included within the adjusted pooled cash and investments reconciliation and were recorded in error.

Moreover, the cash and investment note disclosures and cash flow statements were not accurate.

The State of Nevada Controller's Office's (Controller's Office) internal controls in place allow for a tolerable variance in bank reconciliations that are not investigated; however, the internal controls were not adequate to ensure all significant reconciling items reflected in the general ledger were included in the bank reconciliation.

The Controller's Office did not have adequate internal controls to ensure accuracy of cash and investment note disclosures and cash flow statements.

The cash balance recorded in the State of Nevada's general ledger may be incorrect. In addition, the following errors were noted:

- General Fund
    - Cash was overstated by $84,064,014.
    - Accounts payable was overstated by $71,059,184.
    - Investment income was overstated by $13,004,830.

The restricted cash note disclosure in Note 6 required the following update:

- Capital projects – unspent bond proceeds of $163,133,000.

The cash and investment disclosures in Note 3 required the following updates:

- Mutual Funds were overstated and money market mutual funds were understated by $1,487,000,000.
- Various other adjustments were required for classifications between maturity, quality ratings and fair value table.

The Statement of Cash Flows required updates for the Water Project Loans Fund to present program loans as operating activities rather than investing activities.

We recommend the Controller's Office enhance internal controls to ensure the bank reconciliation includes all significant reconciling items and that the tolerable unreconciled variance be a lower threshold.

We recommend the Controller's Office enhance internal controls to ensure accuracy of cash and investment disclosures as well as cash flow statements.

State's Response: The State Controller's Office will review and enhance controls for unusual reconciling items within the State Treasurer's pool.

Date of Completion or Estimated Completion: November 2025

Approval for additional funding for an independent audit firm to assist in researching and resolving the bank reconciliation variance was approved in January 2024. The audit firm was engaged. We are seeking contract approval in August 2025, for additional funding for the independent audit firm's assistance. Further review will occur to determine if subledgers for each bank account and brokerage account can be made to assist with the bank reconciliation.

Date of Completion or Estimated Completion: March 2026

Status: Not Corrected.

2022-003: **Controller's Office**
Revenue Recognition
Material Weakness

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Ensuring accounts receivables, revenue, and unearned revenue are recorded in the appropriate time period and meet the criteria for recognition is a key component of effective internal control over financial reporting.

Accounts receivables, revenue, and unearned revenue were not recorded appropriately as noted:

- Gold and silver tax revenue was not allocated over the period earned.
- Changes in identified grant receivables and unearned revenues were not timely identified.
- Opioid settlement amounts were not initially estimated appropriately to include amounts net of legal fees.
- Fiduciary funds were not maintained on an accrual basis of accounting.

The State of Nevada Controller's Office (Controller's Office) did not have adequate internal controls to ensure accounts receivables, revenue, and unearned revenue were appropriately recorded.

The following errors were noted:

- General Fund
    - Understatement of gold and silver tax revenue and overstatement of related unearned revenue by $28,707,415.
    - Understatement of federal grant related receivables and unearned revenue as well as an overstatement of revenue and unavailable revenue by $5,608,334.
- Intergovernmental Fund
    - Overstatement of opioid accounts receivables and revenue by $11,066,894.
    - Understatement of tax receivable by $175,203,159, understatement of revenue by $244,760,164, understatement of expense by $231,763,465, and a $162,206,460 prior period adjustment for various tax revenue that should have been recorded in the fiscal year 2021.

We recommend the Controller's Office enhance internal controls to ensure accounts receivable, revenue, and unearned revenue are appropriately recorded.

State's Response: The State Controller's Office have put in place controls to ensure the settlement amounts are tracked and recorded properly. The opioid-related settlement calculations for the subsequent year ended June 30, 2024, have been adjusted in order to comply with the one Nevada Agreement and U.S. GAAP.

Date of Completion or Estimated Completion: July 2025

The State Controller's Office will review and enhance controls to ensure that the timing of revenue recognition and allocation are correct. Tax revenue will be analyzed more in depth to ensure that receivables are properly recorded and in the correct funds.

The State Controller's Office will provide policies, procedures, and training on the calculation and adjustment for the unclaimed property.

The State Controller's Office will review and enhance controls for the unallocated (undistributed) taxes, in coordination with the Department of Taxation.

Date of Completion or Estimated Completion: November 2025

Status: Not Corrected.

2022-004: **Controller's Office**
Settlement Liability and Expenses
Material Weakness

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Ensuring liabilities and expenses are recorded in the appropriate time period is a key component of effective internal control over financial reporting.

Settlement liability and expenses were not recorded in the appropriate fiscal year.

The State of Nevada Controller's Office (Controller's Office) did not have adequate internal controls to track legal settlements and ensure they were recorded in the appropriate fiscal year.

The following error was noted:

- General Fund
    - Understatement of settlement liability and expenditures by $40,000,000.

We recommend the Controller's Office enhance internal controls to track legal settlements and ensure they are recorded in the appropriate fiscal year.

State's Response:

Status: Corrected.

2022-005: **Controller's Office**
Leases and Adoption of GASB Statement No. 87 *Leases*
Material Weakness

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Ensuring right of use leased assets and lease liabilities are recorded appropriately and in accordance with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 87 Leases is a key component of effective internal control over financial reporting.

Right of use leased assets and lease liabilities entered into during the year were not recorded as new additions. In addition, certain existing right of use leased assets and lease liabilities did not assess the extension period of the lease term.

The State of Nevada Controller's Office (Controller's Office) did not have adequate internal controls to ensure leases were recorded in accordance with GASB Statement No. 87.

The following errors were noted:

- General Fund
  - Understatement of capital outlay – leases and understatement of other financing sources - lease proceeds by $9,395,910.
- Highway Fund
  - Understatement of capital outlay – leases and understatement of other financing sources - lease proceeds by $942,652.
- Governmental Activities
  - Understatement of right of use leased assets and lease liabilities by $11,796,994.

We recommend the Controller's Office enhance internal controls to ensure leases are recorded in accordance with GASB Statement No. 87.

State's Response:

Status: Corrected.

2022-006, 2021-011, 2021-013: **Division of Health Care Financing and Policy**
Medicaid and CHIP Balances
Material Weakness

Initial Fiscal Year Finding Occurred: 2021

Finding Summary: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Properly calculating and valuing significant estimates in a timely and accurate manner is a key component of

effective internal control over financial reporting. In addition, ensuring expenses are recorded in the appropriate time period is a key component of effective internal control over financial reporting.

Estimates for Medicaid and the Children Health Insurance Program (CHIP) incurred but not reported (or processed) claims and related amounts due from the federal government were not developed using accurate data and appropriate assumptions. In addition, capitation expenditures were not recorded in the appropriate fiscal year.

The State of Nevada Division of Health Care Financing and Policy (DHCFP) did not have adequate internal controls to develop the Medicaid and CHIP claim estimates using appropriate data and assumptions.

The Medicaid and CHIP estimates were calculated using reports from the Medicaid Management Information System (MMIS). However, the reports were run prior to significant data being captured in the system (in early August rather than in October or November). These estimates are generally developed using subsequent claims and payments with a minimum of at least 60-120 days of activity, to ensure accuracy and precision.

In addition, the DHCFP did not have adequate internal controls to ensure capitation expenditures were recorded in the appropriate period.

The following errors were noted:

- General Fund
    - Understatement of receivables by $298,546.
    - Overstatement of unavailable revenues by $79,885,558.
    - Overstatement of liabilities by $25,527,521.
    - Understatement of revenues by $79,587,012.
    - Overstatement of expenditures by $25,527,521.

We recommend the DHCFP enhance internal controls to develop the Medicaid and CHIP estimates using appropriate data and assumptions. Reports from the MMIS should be developed using significant, relevant data and through the correct time period. In addition, we recommend the DHCFP enhance internal controls to ensure capitation expenses are recorded in the appropriate period.

State's Response:

Status: Corrected.

2022-007: **Department of Taxation**
Sales and Use Tax
Material Weakness

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Ensuring sales and use tax receivables and unavailable revenues are recorded appropriately is a key component of effective internal control over financial reporting.

Sales and use tax receivables and unavailable revenues were not recorded appropriately.

The State of Nevada Department of Taxation (Taxation) did not have adequate internal controls to communicate sales and use tax receivables of a highly questionable nature to the Controller's Office.

The following error was noted:

- General Fund
    - Overstatement of sales and use tax receivables and related unavailable revenues by $123,509,056.

We recommend Taxation enhance internal controls to communicate sales and use tax receivables that appear highly questionable to the Controller's Office to ensure appropriate financial reporting matters are considered.

State's Response: The Department of Taxation will work with the Controller's Office on establishing procedures to enhance internal controls to analyze unallocated accounts and appropriately allocate prior to financial close.

The Department will review a historical comparison of receivables compared to current year and known facts and circumstances of the current year to provide accurate and complete information to the Controller's Office on an annual basis.

Estimated Completion Date: 10/01/2025

Status: Not Corrected.

2022-008: **Department of Agriculture**
Receivables
Material Weakness

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Ensuring receivables and related unavailable revenues are recorded appropriately is a key component of effective internal control over financial reporting.

Receivables and related unavailable revenues were not recorded appropriately.

The State of Nevada Department of Agriculture (NDA) did not have adequate internal controls to ensure amounts reported to the Controller's Office for agency receivables were accurate.

The following error was noted:

- General Fund
    - Overstatement of accounts receivables and unavailable revenues by $9,958,107.

We recommend the NDA enhance internal controls to ensure amounts reported to the Controller's Office for agency receivables are accurate.

State's Response:

Status: Corrected.

2022-009: **Department of Public Safety**
Receivables
Material Weakness

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Ensuring receivables and related unavailable revenues are recorded appropriately is a key component of effective internal control over financial reporting.

Receivables and related unavailable revenues were not recorded appropriately.

The State of Nevada Department of Public Safety (DPS) did not have adequate internal controls to ensure amounts reported to the Controller's Office for agency receivables were accurate.

The following error was noted:

- General Fund
    - Overstatement of accounts receivables and unavailable revenues by $32,055,889.

We recommend the DPS enhance internal controls to ensure amounts reported to the Controller's Office for agency receivables are accurate.

State's Response:

Status: Corrected.

2022-010: **Division of Welfare and Supportive Services**
Pandemic Electronic Benefit Transfer
Material Weakness

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Ensuring noncash revenues and related expenditures are recorded appropriately is a key component of effective internal control over financial reporting.

Pandemic food benefits provided through electronic benefit transfer (EBT) cards were not recorded.

The State of Nevada Division of Welfare and Supportive Services (DWSS) did not have adequate internal controls to ensure EBT benefits were communicated to the Controller's Office for appropriate recording.

The following error was noted:

- General Fund
    - Understatement of revenues and expenditures by $489,716,006.

We recommend the DWSS enhance internal controls to ensure EBT benefits are communicated to the Controller's Office for appropriate recording.

State's Response:

Status: Corrected.

2022-011: **Division of Emergency Management**
Inventory
Material Weakness

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Inventory management is a key component of effective internal control over financial reporting.

Inventory was not appropriately stored to allow for an accurate count or reconciliation of amounts.

The State of Nevada Division of Emergency Management (DEM) transferred inventory to a new warehouse during the year. The inventory was not organized in a systematic manner to allow for the performance of an inventory count. Internal controls in place did not ensure inventory could be accounted for correctly.

The amount of inventory was unknown and unable to be verified.

We recommend the DEM enhance internal controls to ensure inventory is organized in a systematic manner to allow for the performance of an inventory count and reconciliation.

State's Response: The Purchasing Division will update our internal control to ensure that, in the event of acquiring inventory from another agency, we receive records reflecting accurate quantities and pricing.

Date of Estimated Completion: August 29, 2025

Status: Partially Corrected.

2022-012, 2021-008, 2020-006: **Department of Transportation**
Infrastructure Construction in Progress
Material Weakness

Initial Fiscal Year Finding Occurred: 2020

Finding Summary: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Ensuring infrastructure is recorded appropriately is a key component of effective internal control over financial reporting.

Certain infrastructure projects were capitalized by the State of Nevada Department of Transportation (NDOT) in the prior year that were not assets of the State of Nevada.

NDOT did not have adequate internal controls to ensure ownership of infrastructure was adequately reviewed prior to capitalizing the construction as a State of Nevada asset.

A prior period adjustment was required of infrastructure construction in progress and beginning net position by $57,962,515.

We recommend the NDOT enhance internal controls to ensure ownership of infrastructure is adequately reviewed prior to capitalizing the construction as a State of Nevada asset.

State's Response: NDOT will institute a review process of the report of construction in progress and infrastructure assets, with special attention to the roll-forward and unusual relationships notes above, prior to submittal of this data to the Controller's Office.

Date of Completion or Estimated Completion: October 1, 2025

Status: Not corrected.

2022-013: **Higher Education Tuition Trust Fund**
Financial Statement and Reconciliation Controls
Material Weakness

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. One of the key components of an effective system of internal control over financial reporting is the preparation of full disclosure financial statements that do not require adjustment as part of the audit process.

Management prepares internal use financial statements. However, management required the assistance of the external audit firm to prepare the Higher Education Tuition Trust Enterprise Fund's (the Trust Fund) audited financial statements and related note disclosures.

Although the preparation of financial statements as a part of the audit engagement is not unusual, it may result in financial statements and related information included in financial statement disclosures not being available for management purposes as timely as it would be if prepared by the Trust Fund's personnel.

In addition, we proposed audit adjustments related to investments, accounts payable, cash, and net increase/decrease in fair value of investments.

Accounting personnel do not have the current resources of time and training necessary to prepare the financial statements in accordance with generally accepted accounting principles. As a result, the Trust Fund chose to contract with Eide Bailly, LLP to the prepare its financial statements. In addition, the Trust Fund did not have adequate internal controls to ensure investment and related balances were appropriately reconciled and recorded.

The Trust Fund's internally prepared records upon which the financial statements are prepared did not contain all information required by generally accepted accounting principles. Correcting audit entries were posted for:

- Overstatement of investments by $21,124,245.
- Overstatement of accounts payable by $4,996,990.
- Understatement of cash equivalents by $148,430.
- Overstatement of net increase/decrease in fair value of investments by $15,978,825.

We recommend the Trust Fund allocate the resources necessary to provide sufficient training to enable the preparation of the financial statements in accordance with generally accepted accounting principles and enhance internal controls to ensure investment and related balances are appropriately reconciled and recorded.

State's Response: Corrected October 22, 2022.

Status: Corrected.

2022-014, 2021-002: **Unemployment Insurance Assessment Revenue Material Weakness**

Initial Fiscal Year Finding Occurred: 2021

Finding Summary: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Accurate reconciliation of employer assessment revenues and receivables is a key component of internal control.

Employers in the State of Nevada self-report amounts owed with respect to unemployment assessments. In some cases, employers overpaid the amount of assessment that was owed either through paying the wrong assessment tax rate or through duplicate payments made by third party payroll companies on their behalf.

The Department of Employment, Training, and Rehabilitation (DETR) did not separately identify or account for employer accounts with overpaid assessments and thus accounted for employer overpayments in error.

DETR did not have adequate internal controls to provide for the initial identification and reconciliation of employer overpayments to ensure appropriate recognition in the financial statements.

Prior to adjustment, employer assessment revenue was overstated by $58,357,785, employer assessment receivables were overstated by $16,985,482, and accounts payable were understated by $41,372,303.

We recommend DETR enhance internal controls to provide for the initial identification and reconciliation of employer overpayments to ensure appropriate recognition in the financial statements.

State's Response:

Status: Corrected.

2022-015: **Department of Education**
Receivables and Expenditures
Significant Deficiency

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Ensuring the pupil centered funding plan (PCFP) final true-up adjustments are recorded appropriately is a key component of effective internal control over financial reporting.

A PCFP true-up payment received from a local school district was not recorded in the appropriate fiscal year.

The State of Nevada Department of Education (NDE) did not have adequate internal controls to ensure PCFP true-up amounts were recorded in the appropriate year.

The following error was noted:

- State Education Fund
    - Overstatement of expenditures and understatement of receivables by $5,431,006.

We recommend the NDE enhance internal controls to ensure PCFP true-up amounts are recorded in the appropriate year.

State's Response:

Status: Corrected.

2022-016: **Department of Corrections**
Payroll Internal Controls
Significant Deficiency

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Proper reconciliation of payroll is a key component of effective internal control over financial reporting.

To ensure proper reconciliation occurs, the State of Nevada's internal control policies require that agencies with a timekeeper function print reports from the Payroll Data Warehouse for each employee's timesheet entered by a timekeeper. The agency must verify that time and pay entries reported on the payroll register agree with the timesheet. For all employees, if the leave or overtime was not preapproved in the Nevada Employee Action and Timekeeping System (NEATS), then an approved hard copy must be on file. This is performed by the agencies every pay period. In addition, on the Monday following payday, agencies also reconcile the expenditures from the Budget Status Report to the Detail Cost Listing report (provided by Advantage- HR).

No reconciliation of payroll occurred during fiscal year 2022 by the State of Nevada Department of Corrections (NDOC), in accordance with the State of Nevada internal control policy.

NDOC did not monitor and follow established internal control policies.

Errors could occur and not be corrected or detected by NDOC.

We recommend the NDOC follow the State of Nevada payroll reconciliation internal control policies.

State's Response: Department of Corrections will update the internal control procedures to ensure reconciliation of payroll is in accordance with the State of Nevada Internal Control Policy.

Date of Estimated Completion: July 2026

Status: Not Corrected.

2022-017: **Department of Health and Human Services**
Payroll Internal Control
Significant Deficiency

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Proper reconciliation of payroll is a key component of effective internal control over financial reporting.

To ensure proper reconciliation occurs, the State of Nevada's internal control policies require that agencies with a timekeeper function print reports from the Payroll Data Warehouse for each employee's timesheet entered by a timekeeper. The agency must verify that time and pay entries reported on the payroll register agree with the timesheet. For all employees, if the leave or overtime was not preapproved in the Nevada Employee Action and Timekeeping System (NEATS), then an approved hard copy must be on file. This is performed by the agencies every pay period. In addition, on the Monday following payday, agencies also reconcile the expenditures from the Budget Status Report to the Detail Cost Listing report (provided by Advantage- HR).

No reconciliation of payroll occurred during fiscal year 2023 by the State of Nevada Department of Health and Human Services (DHHS), in accordance with the State of Nevada internal control policy.

DHHS did not monitor and follow established internal control policies.

Errors could occur and not be corrected or detected by DHHS.

We recommend the DHHS follow the State of Nevada payroll reconciliation internal control policies.

State's Response: The Division has added additional internal controls and updated the agencies procedures to incorporate the missing reconciliation steps as required by the State of Nevada Central Payroll Department to include the Employee Paycheck Analysis in HRDW.

The Division implemented the reconciliation procedure March 19, 2024

Status: Not Corrected.

2022-018: **U.S. Department of Agriculture**
Child Nutrition Cluster:
School Breakfast Program, 10.553
National School Lunch Program, 10.555
Special Milk Program for Children, 10.556
Summer Food Service Program for Children, 10.559
Fresh Fruit and Vegetable Program, 10.582

Reporting
Significant Deficiency in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Affects all grant awards included under assistance listings 10.553 and 10.555 on the Schedule of Expenditures of Federal Awards.

The OMB Compliance Supplement requires that reports submitted to the federal awarding agency include all activity of the reporting period, are supported by underlying accounting information or performance records, and are fairly presented in accordance with governing requirements.

Pursuant to Title 7 Agriculture Part 210 National School Lunch Program and Part 220 School Breakfast Program, state agencies are required to submit a report on school program operations (FNS-10) to Food and Nutrition Service (FNS) each month.

Membership enrollment amounts reported on the FNS-10 report were inaccurate.

The Nevada Department of Agriculture (NDA) did not have adequate internal controls to ensure accurate information was reported to the federal awarding agency.

Inaccurate information was reported to FNS.

A nonstatistical sample of seven out of a population of 36 reports was selected for testing. The October 2021 FNS-10 report includes annual information (rather than monthly). Line 12b – Membership (Enrollment) of Public Schools was reported as 13. The actual enrollment supported by the underlying documentation of public schools was 22.

We recommend NDA enhance internal controls to ensure accurate information is reported to the federal awarding agency.

State's Response: Corrected, enhanced internal controls 06/30/23.

Status: Corrected.

2022-019: **U.S. Department of Agriculture**
Child Nutrition Cluster:
School Breakfast Program, 10.553
National School Lunch Program, 10.555
Special Milk Program for Children, 10.556
Summer Food Service Program for Children, 10.559
Fresh Fruit and Vegetable Program, 10.582

Reporting
Material Weakness in Internal Control over Compliance and Material Noncompliance

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Affects all grant awards included under assistance listings 10.553, 10.555, 10.556, 10.559, and 10.582 on the Schedule of Expenditures of Federal Awards.

The Federal Funding Accountability and Transparency Act (FFATA) requires direct recipients of certain federal awards to report subaward information by the end of the month following the month in which the prime awardee obligates a subgrant award equal to $30,000.

Required subaward information was not reported in the FFATA Subaward Reporting System (FSRS).

The Nevada Department of Agriculture (NDA) did not have internal controls to ensure subaward information was submitted in accordance with the FFATA.

Subaward obligations were not reported in the FSRS and therefore not included on the FFATA's website for public information disclosure.

A nonstatistical sample of 6 out of a population of 54 applicable subaward obligations was selected for testing. The quantity and subaward obligation errors were noted as follows:

	Subawards	Obligations
Total Tested	6	$2,748,488
Not Reported	6	$2,748,488
Not Timely	6	$2,748,488
Obligation Incorrect	6	$2,748,488
Missing Key Elements	6	$2,748,488

We recommend NDA implement internal controls to ensure subaward information is submitted in accordance with the FFATA.

State's Response: The agency agrees and accepts this finding and will take the following steps to enhance internal controls to ensure compliance: The agency will identify appropriate staff with system access to SAM.gov to report FFATA subaward information and request access for additional staff if needed. Staff will begin reporting FFATA information on October 1, 2025.

Anticipated date of completion: March 31, 2026.

Status: Not corrected.

2022-020,
2021-026: **U.S. Department of Labor**
Unemployment Insurance, 17.225

Reporting
Material Weakness in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2021

Finding Summary: Affects all grant awards included under assistance listing 17.225 on the Schedule of Expenditures of Federal Awards.

The OMB Compliance Supplement requires that reports submitted to the federal awarding agency include all activity of the reporting period, are supported by underlying accounting information or performance records, and are fairly presented in accordance with governing requirements.

The Nevada Department of Employment, Training and Rehabilitation (DETR) must submit the ETA 2112 UI Financial Transaction Summary as directed by the Employment & Training Administration Handbook. This report is a monthly summary of transactions, which account for all funds received in, passed through, or paid out of the state unemployment fund.

Amounts reported on the ETA 2112 were misreported by category (benefit type).

DETR did not have adequate internal controls to ensure benefit payments were appropriately categorized by type.

Inaccurate information was reported to the federal awarding agency.

A nonstatistical sample of four out of 12 monthly reports was selected for testing. Errors were noted on each of the four reports tested as follows:

Month Ended July 31, 2021
- Deposit and disbursement total variances of $29,400.
- Off-setting variances in specific benefits ranging from $1,069 to $522,826.

Month Ended August 31, 2021
- Off-setting variances in specific benefits ranging from $2,993 to $3,244,522.

Month Ended December 31, 2021
- Off-setting variances in specific benefits ranging from $4,785 to $373,125.

Month Ended April 30, 2022
- Off-setting variances in specific benefits ranging from $2,992 to $161,515.

We recommend the DETR enhance the internal controls to ensure benefit payments are appropriately categorized by type.

State's Response: Nevada DETR's Response

DETR has revised the current internal control procedure to ensure benefit payments are appropriately categorized by type. Please reference the sections titled "Previous day Adjustments" and "Verify the Draw Request to Treasurer's Draw Confirmation".

Updated Nevada DETR Response as of February 2024
As stated previously, corrective actions have been taken and no further actions are deemed necessary.

Estimated Date of Completion: COMPLETED
Contact Person: Carrie Edlefsen, Chief Financial Officer, *DETR/ESD (775)684-3952 c-edlefsen@detr.nv.gov*

Benefits Desk Daily Bank Reconciliation, Wire, and Draw Procedure
DESCRIPTION
The Department of Employment, Training and Rehabilitation (DETR} is charged with daily reconciliation of the Benefit and Clearing bank accounts and daily draws to cover debit cards and checks issued to unemployment claimant beneficiaries. In conjunction, the department is charged with daily payments to the Internal Revenue Service (IRS), daily wires to Conduent (or the current debit card provider), and daily wires to the UI Trust Fund.
RESPONSIBILITIES
It is the responsibility of the DETR Financial Management (FM) unit to balance and reconcile these accounts and ensure draws are done daily. This task is performed by the Accountant I assigned to the Benefits Desk (PCN 3272-0135) with Accountant Technician I (PCN 3272-0086) as backup and is overseen by the Accountant III (PCN 3272-6002).
PURPOSE
The purpose of this policy is to provide for the reconciliation of federal and non-federal cash on hand balances, ACH returns, and refunds to ensure the correct amounts from the federal government and other funding sources are requested and properly accounted for and reported to the DOL.
PROCEDURE
Desk Procedure with detailed instructions located at S:\fin\POLICIES & PROCEDURES\FM Benefits Desk-Acct Tech II\Accountant I - PCN 0135\DAILY DRAW

CLEAR POSITIVE PAYS, DOWNLOAD NECESSARY STATEMENTS
From Wells Fargo CEO –

- Clear Positive Pays - research and clear any positive pay items under Fraud Manager. If there are positive pay transactions, there will be a pending tasks notification by the Fraud Manager button.
- Retrieve and save previous business day bank statements as PDFs. These must be run individually, or they will combine into one statement. Benefits-818 (also save as CSV), Clearing-784 (also save as CSV), Rehab Revolving-792, Benefit Holding-4652, and Fedwire Account-4660.
- Run the ACH Return/NOC report (acct# Exxxxx0022 only), save the report as both Excel and PDF. This statement is current day.

CLEARING BANK ACCOUNT RECONCILIATION (Account number ending 0784)

- On the CLEARING tab of the Benefit Monthly Spreadsheet, enter the deposits in column C, same date as the Bank statement. In the "Type of Debit" section, enter any Debits, Return Item Debits, or other Misc. Debits in column **J,** the Debit Memo column. Do not include the Total Wire Transfer Debit or the Total ACH Debits in this column, these were entered the previous day when calculating the daily wires. Enter the Opening Available

Balance in column P, still making sure to use the day of the bank statement. Enter Total Checks Paid from the statement into column Q. Enter the total number of credits in column R, enter the total amount of credits in column S, enter the total number of debits in column T, and enter the total amount of debits in column U.

- Check for any variances in columns W and X, research if necessary. Column X verifies all debits match. This formula adds CEP (E), Trust Fund Wires (I), Debit Memos (J), Refund Checks (K), Other Wires (L), P&I Wires (M), and checks paid to the AMT DEBITS in columnQ.
- Go to the CLEARING REGISTER tab and put a 'X' next to any cleared checks to mark them paid. Next, go back to the CLEARING tab and verify that the Check Register under column Q line 44 shows 0.00. This is the final step in reconciling the Clearing Account.

BENEFITS BANK ACCOUNT RECONCILIATION (Account number ending in 0818)

- On the UI tab, working on the previous business day's date, enter all credits from the Bank Statement (don't include the Total ACH Credits or Wire Transfer Credits, these were entered the previous day when calculating payment amounts) in column H, BPC Collected Overpayments. Enter any Returned Item Reversals, Debit Memos or ACH Corrections under Debit Memo, column O (do not enter Total ACH Debits).
- On the BENEFITS tab, working on the previous business day's date, enter the Total Checks Paid in column AH. Enter the total number of credits in column AI, the total amount of credits in column AJ, the total number of debits in column AJ, and the total amount of debits in column AL.
- Follow the same steps from the Clearing Account noted above to clear all the checks on the BENEFIT REGISTER tab.
- Check for any variances in columns AN and AO. If there are variances, check the totals entered from the bank statement and check the formulas to ensure all data from the previous day is accounted for. Column AN verifies the total of credits; if there is a variance in this column, go back and verify that the correct credits from the statement on the UI tab were entered. Column AO verifies the total of debits; if there is a variance, verify that the correct total for checks paid (column AH), total of debits (column AL), and the correct total for debit memos on UI tab (column 0) were entered. Occasionally, this formula needs to be updated to include the correct IRS payments or debit cards/ACH payments following a weekend or holiday. If an IRS payment is over $100,000.00 it will clear the next business day. Once all credits and debits are balanced, save the spreadsheet.

CURRENT DAY PAYMENT AMOUNTS

- For regular UI Payments - From the Daily Verification Sheet downloaded for the previous day, enter the amounts for debit cards issued, federal tax withholdings, and child support withheld **in** their respective columns on the UI tab of the monthly spreadsheet. Debit cards and tax withholdings are entered on the current day, child support is entered on the previous day. Check for any refunds released and enter that amount in the respective column on the current day. Payments for UCX, UCFE, State EB, and EUC are entered on their respective tabs, not on the main UI tab. Daily detail data is saved at S:\fin\BENEFITS\Benefit Account\Benefit Payment details UINV\FY XX, copied from the R:Drive daily.

- For EmployNV Payments-From the Daily Payment Register Summary report downloaded from EmployNV and reformatted for ease of reading, enter the direct deposit and debit card amounts (added together) for each program in the respective column on the UI tab for the current day. Federal withholding for each program is entered on the current day, child support payments for each program are entered on the previous day. Daily detail data from the Daily Payment Register Detail report is downloaded and saved at S:\frn\BENEFITS\Benefit Account\Benefit Payment details PUA\FY XX.

PREVIOUS DAY ADJUSTMENTS

- Previous day adjustments consist of check top deposits, ACH returns, book transfers, program adjustments, and checks written. Check top deposits consist of monies received back from claimants for overpayment reimbursements. Miscellaneous ACH credits/ACH returns are monies that have been returned due to discrepancies with the claimant's direct deposit bank. Book transfers are from funds that have been returned by the debit card is uer because the claimants debit cards have been unpinned for a period of 90 days or more. *All* of the deposited monies received daily must be accounted for in order to offset monies drawn for current beneficiary payments and for accurate reporting.
- For overpayment reimbursement amounts related to regular benefits housed in UINV, go to: R:\FileTransfer\Prod\BIPReports\ESD\UI_Benefits\FM\Desktop Deposit. This report is prepared daily by DETR Information Technology Department (ITD) PCN 3274-1178 with PCN 3274-1179 as backup. Because of UINV system limitations these deposits must be reconciled outside of the system daily by ITD. On the Summary tab, verify all deposits on the Desktop Deposit Reconciliation report in the SUM_PYMNT_AMT to the Bank Statement. There will be one or more check top deposits that are not listed on the spreadsheet but will be listed on the bank statement; that/those amounts will be accounted for in the EmployNV system download.
- For overpayment reimbursement amounts related to EmployNV, run the Overpayment Repayment Report from the Manage UI Accounting menu housed within the Services for Unemployment Staff. The data from this report should match to check top amounts on the bank statement. If there are discrepancies reach out to PCN 4772-6932 or 4772-5058 in UISS to research.
- For ACH returns, run the Cancelled Payments report in EmployNV. To get the amounts broken out by program pivot the excel data by funding source. The total will match the amount on the bank statement and the previous day ACH NOC report.
- For book transfers, the amount is recorded daily from reports received from the debit card vendor and compiled by PCN 3274-1178 for regular benefits and PCN 4772-5058 for PUA related amounts. These amounts are deposited daily into the Wells Fargo Holding account and recorded daily to the Book Transfer FYXX workbook saved at S:\frn\BENEFITS\Benefit Account\Benefit Unpinned funds (Conduent). Once a month, PCN 3272-0135 initiates a transfer from the Holding Account to the Benefit Account in order to return the funds back to their respective programs.
- On occasion, there will be program adjustments on the Daily Draw Down Summary report downloaded from EmployNV for the draw calculation. If there are amounts in this report, they need to be entered on the previous day

in the spreadsheet to move the monies from one program to another. These have a zero-dollar overall effect but must be accounted for to ensure correct program balances. *

- Checks written for the current day are entered after the daily draw process is completed. These are entered on the current day and then drawn for on the next business day.

  After all amounts have been accounted for, they need to be entered into their respective columns on the UI tab of the monthly reconciliation workbook on the previous business day. It is *imperative* that all deposited amounts and adjustments are accounted for daily.

FINALIZE DRAW AMOUNTS

- On the bottom of the UI tab there is a lookup table which takes the current day payment amounts and deducts prior day adjustments. Prior to changing the date to the current day, copy the ending balance into the beginning balance as values. Then change the date and the weekend/holiday number to reflect the previous business day.
- The table will pull the amounts to draw as follows: Debit Card/ACH payments + IRS payments + Child Support payments + checks issued +/- previous day adjustments = total amount to draw. If you have a beginning balance this balance will be deducted from the amount needed to draw. If the overall draw amount for any program is negative, it will increase the ending balance and no draw will be processed. The draw amount must be manually entered into the top of the spreadsheet on the respective day for each program. These cells feed into the Benefit tab which will give the aggregate draw total from all tabs and this total will show on the bank statement for the next day.

REQUEST DRAW FROM ASAP THROUGH TREASURER'S OFFICE

- Open the previous day's draw spreadsheet located at S:\fm\BENEFITS\Trust Fund\SFYXX\Draws and save as current day and clear the previous day's data.
- Starting on the UI tab, enter the draw amounts from column B thru F for current day as well as the Draw amounts from column B from the UCX, UCFE, EB and EUC tabs into the current day's draw spreadsheet.
- Verify that the total amount on the draw spreadsheet matches the Benefits tab's DRAW/Money Order amount in column C for current day. Send to Accountant III for approval. After approved, send as email attachment to the Treasurer’s Office with the subject line: DETR DRAW {the date} and {the amount}; cc: Accountant III (and Accountant I if the back-up was the preparer) by 9:00am for same day processing.

VERIFY THE DRAW REQUEST TO TREASURER'S DRAW CONFIRMATION

After the Treasurer's office processes the draw request in the ASAP site, they will send confirmation of the draw. Verify that all accounts draw from match the request sent to ensure the correct accounts were drawn from. If an amount was drawn incorrectly, it can be fixed by PCN 6002 or the Treasurer's office by initiating a book transfer in ASAP. Corrections must be made as soon as possible.

PAY IRS
This must be done daily by 10:00 am.

The IRS amounts to pay daily come from the previous amount entered. On the Benefits tab, total the amount of all programs. If the payment is less than $100,000 it can be scheduled for the same day. If it's over, split the payment to pay the UI portion only next day; the remaining amount should be less than $100K and can be scheduled same day. Verify that the total payment matches the day's amount on the IRS tab of the monthly workbook. IRS payments are made on the IRS EFTPS website. After the payment is made, a confirmation PDF is saved with the daily files for confirmation.

FEDWIRE TO CONDUENT

- Once the Draw is done and all other wires (child support on Mondays, P&I and CEP on Tuesdays) have been processed, gather all information for the Fedwire to Conduent. There will have been sent two emails from Conduent and one from DETR HELP DESK containing an attached email named CNOTE. The attachments contained in the emails from Conduent are the backup for the wire. These three amounts are the total amount paid to beneficiaries, either by debit card or by direct deposit/ACH. Add up the two .txt files for the wire amount (ACH payments are not processed by Conduent).
- Before finalizing the wire amount, it is necessary to reconcile the debit cards. Open the email received from the DETR HELP DESK with the subject of UINV Debit Card Payment for XX/XX/XXXX. Save all three attached PDFs. From the Treasurer's Office Daily Payments report enter the number of debit cards on the BENEFIT tab under column H. From the Debit Card Summary report enter the Suspended Payments in column L (Debit Card Suspended) as a negative and enter the Previous Suspended Payments Released in column M (Debit Card Released) as a positive.
- Once the data is entered, make sure that the debit cards match the Debit Card Summary Report (one of the attachments to the email noted above) by adding columns N and Pon the BENEFIT tab together for the current day. If they do not match, double check the debit card amounts entered on the UI tab. This will be the amount on the Conduent email for regular UI debit cards.
- To balance the PUA debit cards in column 0, on the BENEFIT tab add the PUA deposit amounts from Conduent and DETR HELP DESK CNOTE emails.
- Once all is in balance, sign on to Wells Fargo CEO, to create the wire. The wire must be sent via DocuSign for approval by two authorized individuals. These same authorized individuals will log into Wells Fargo CEO and apply approvals for the wires. After the DocuSign is returned as completed, save it in S:\fm\BENEFITS\Fedwire\Fedwire WIRES.

TRUST FUND WIRE

- On the Monthly Spreadsheet, go to the CLEARING tab. After the CEP and P&I amount have been updated (detailed procedure can be found in the Benefits Morning Draw Routine saved at S:\fm\POLICIES & PROCEDURES\FM Benefits Desk-Acct Tech II\Acct Tech II - pen 0135\DAILY DRAW), begin the calculation for the amount to wire to the Trust Fund.

- Cell E47 takes all the credits, debits, and wires for that day and subtracts out CEP, P&I and checks pending. If the number is negative in E47 there are not enough funds available to wire to the Trust Fund. Write "no wire" in column O for the current day.
- If cell E47 is positive, enter that amount into column I (Wires to Trust Fund) for the current day, and verify that E47 is now zero. Check to ensure that the book balance for the current day is a positive number. If it is not, adjust the wire total. This will happen if the CEP or P&I total is negative. The goal is to keep the ending balance high enough to cover CEP, P&I, and any pending checks, and to transfer all other funds to the Trust Fund where they can collect interest.
- Open the DAILY TRUST FUND WIRE EQUATION TEMPLATE found at S:\FM\BENEFITS\Benefit Monthly Spreadsheets, update cell B4 to be two business days prior and cell B5 to be one business day prior. Update column D as per the monthly spreadsheet for that day; column E references what column to use for that day. For example, Beginning Book Balance in cell D4 is the total in column N on the monthly spreadsheet for that day. If column C is blue, enter the data as a positive, if column C is red, enter data as a negative. Enter the new book balance for the current day in D21 and verify there are no variances in D22.
- Save the DAILY TRUST FUND EQUATION TEMPLATE and print it out. Column O on the monthly spreadsheet keeps a running total for the wire number. Update column O for the current day to the next sequential number. Print out a copy of the CLEARING tab from the monthly spreadsheet. The page and the Daily Trust Fund Equation Template are the back-up documentation for the Wire.
- Sign on to Wells Fargo CEO, select Create a Wire then send via DocuSign for approval. After the DocuSign is returned as completed, save it in S:\fin\BENEFITS\Clearing Account\Clearing Trust Fund Wires.
- Scan and send all wire for the to be approved via DocuSign. Each wire must have two approvals. Check with the Accountant I for current approvers. DETR's Chief Financial Officer (CFO; PCN 0004), the Deputy Chief Financial Officers (Administrative Services Officer Ills; PCNs 0040/0042), and the Accountant III (PCN 3272-6002) should all have Wells Fargo CEO access to approve wires; the CFO may assign other staff as appropriate.

Detailed procedures for all of the above can be found at S:\fin\POLICIES & PROCEDURES\FM Benefits Desk-Accountant !\Accountant I - PCN 0135\DAILY DRAW

Status: Corrected.

2022-021, 2021-028
2020-016: **U.S. Department of Labor**
Unemployment Insurance, 17.225

Special Tests and Provisions – UI Benefit Payments
Material Weakness in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2020

Finding Summary: Affects all grant awards included under assistance listing 17.225 on the Schedule of Expenditures of Federal Awards.

State Workforce Agencies are required by 20 CFR section 602.11(d) to operate and maintain a quality control system. The Benefits Accuracy Measurement (BAM) program is the quality control system designed to assess the accuracy of UI benefit payments and denied claims. The State's BAM unit is required to draw a weekly sample of payments and denied claims, complete prompt and in-depth investigations to determine the degree of accuracy in the administration of the program. The requirements are promulgated in the ET Handbook No. 395 (Handbook).

Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 200.303 provides that non-federal entities must establish and maintain effective internal control that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

State of Nevada, Department of Employment, Training and Rehabilitation, Manual of Operations, Chapter 7800, Part V, Section 7862 Supervisor Case Review states that the supervisor review is intended as a final check of information gathered and processed during the audit to ensure horizontal consistency, consistent and correct coding, and ensure all required elements are complete and included. Items/Areas of concern will be addressed to the investigator of the case and resolved prior to closing the case.

Department of Labor ET Handbook 395, Part VI, Section 11 Completion of Cases and Timely Data Entry states that a minimum of 70% of cases must be completed within 60 days of the week ending date of the batch, and 95% of cases must be completed within 90 days of the week ending batch; and a minimum of 98% of cases for the year must be completed within 120 days of the ending date of the calendar year.

Investigations performed by the BAM supervisor or senior investigator are not reviewed by someone other than the investigator. In addition, completion of cases and timely data entry requirements were not met.

The Nevada Department of Employment, Training and Rehabilitation (DETR) did not have internal controls to ensure appropriate segregation of duties on all BAM investigations and to ensure the timely data entry requirements were met.

Errors may occur in a BAM investigation that are not detected or may not be detected timely.

A nonstatistical sample of 60 completed BAM cases out of a population of 734 was selected for testing. The investigator and reviewer were the same person for 17 of the cases tested. In addition, a time lapse report of case completion was examined for paid claims accuracy. Of these investigations, 85.19% of the cases were completed within 90 days, rather than the 95% required. In addition, the total completion percentage was 92.12% complete, rather than the 98% completion required.

We recommend DETR implement internal controls to ensure appropriate segregation of duties on all BAM investigations and to ensure timeliness requirements are met.

State's Response:

Nevada DETR's Response

The Employment Security Division's Unemployment Insurance Support Services (UISS) recognizes the importance of internal controls for a system of checks and balances to ensure no one person has control over all parts of BAM investigations, and to ensure investigation timeliness.

Background: BAM timeliness has been impacted since 2020 due to many factors that include but are not limited to significant staff turnover (i.e., retirement, promotions, and recruitment/retainment of qualified staff). Historically, the BAM supervisor PCN 5089 has been tasked with training and reviewing new staff work and activities, which resulted in experienced investigators' work not being reviewed in attempts to meet timeliness on other BAM cases.

Nevada DETR ESD UISS' Corrective Action Plan: Attached **(**ATTACHMENT A) is DETR's Benefit Accuracy Measurement (BAM) Segregation of Duties Internal Control.

Updated Nevada DETR Response as of February 2024

As stated previously, corrective actions have been taken and no further actions are deemed necessary.

Updated Nevada DETR Response as of September 5, 2025

As stated previously, corrective actions have been taken and no further actions are deemed necessary. Note: This was reported in a subsequent Single Audit due to DETR narrowly missing the timeliness thresholds. In April 2024, U.S. DOL cleared this issue/finding.

Estimated Date of Completion: COMPLETED

Contact Person: Patricia Allander, ESD Administrator, *DETR, ESD (775)684-3906, p-allander@detr.nv.gov*

Attachment A:

U.S. Department of Labor

Employment and Training Administration
San Francisco Regional Office
90 7th Street, Suite 17300
San Francisco, California 94103

April 29, 2024

Chris Sewell
Director
Department of Employment, Training
and Rehabilitation
500 East Third Street
Carson City, NV 89713

Dear Chris Sewell:

This letter serves as the Unemployment Insurance (UI) Benefit Accuracy Measurement (BAM) Annual Determination Letter (ADL) for Calendar Year 2023. The ADL communicates the effectiveness of the Nevada Department of Employment, Training and Rehabilitation's (NV DETR) BAM program and the program's compliance with Federal law and guidelines. Enclosed is a summary of the Annual BAM Administrative Determination Report.

The Regional Office reviewed the compliance of DETR's BAM program with BAM regulations and ET Handbook 395, 5th edition. The BAM elements reviewed include the following:

- Methods and Procedures Review;
- Investigative procedures reviewed during desk and peer reviews; and
- Additional requirements for the National Directory of New Hires cross match, case completion, timeliness, comparison report, and sample selection.

The overall results indicate that the Nevada BAM program met or exceeded most, but not all, measures reviewed (see enclosures). No response to this letter is required.

We hope this report is helpful to you and appreciate your continued dedication to the BAM program. Please direct any questions or comments regarding this report to Todd Swenson, UI Program Specialist, at (415) 625-7925 or swenson.todd.e@dol.gov or me at (415) 625-7923.

Sincerely,

Dr. Tamika L. Ledbetter
Regional Administrator

Enclosures

Enclosure 1

ANNUAL BAM ADMINISTRATIVE DETERMINATION REPORT SUMMARY

The Regional Office (RO) reviewed the Nevada Department of Employment, Training and Rehabilitation's (NV DETR) Benefit Accuracy Measurement (BAM) operations to verify the agency met additional BAM requirements, ensuring uniformity in the administration of the program and compliance with BAM regulations and ET Handbook 395, 5th edition. The types of reviews and verification of additional BAM requirements are:

- Methods and Procedures (M&P) Review, which reviews four main components of the agency: organization, authority, written procedures, and forms;
- Investigative procedures reviewed during desk and peer reviews; and
- Additional requirements for the National Directory of New Hires (NDNH) cross match, case completion, timeliness, comparison report, and sample selection.

The following information provides a summary of performance, required action(s), and citation(s) for requirements, if any.

M&P Review:

- Nevada was not scheduled for its triennial M&P review this year.

Investigative Procedures:

- Peer Review: Nevada participated in the Paid Claims Accuracy (PCA) peer review during the week of April 17 – 21, 2023 in Arlington, VA. Of the 10 cases reviewed, none of the cases contained identification series (100) exceptions; however, one case contained one pursuit series (200), one case contained one resolution series (300), and three cases contained a total three procedural series (400) exceptions. The RO detailed results in a letter following the review.

Additional Requirements:

- Case Completion: Not Met.
- Timeliness: Exceeded.
- Comparison Report: Met.
- Sample Selection: Exceeded.
- NDNH cross match: Not reviewed.

Performance Deficiencies and Recommendations:

The NV DETR did not meet all administrative requirements of the BAM program for CY 2023. The NV DETR will be required to submit a corrective action plan for the BAM program for any performance deficiency or finding that is not resolved prior to submission of the fiscal year 2025 State Quality Service Plan.

Performance Deficiency: The NV DETR did not meet case completion standard for PCA and DCA for the most recent performance period. The standard for case completion requires that 98 percent of BAM cases sampled be completed within 120 days following the end of the program year. A case is considered completed when all investigative actions that could affect judgment about payment for the key week or the selected denial have been completed and the supervisor has signed off on the case. The DETR completed 93.46 percent of PCA cases, 92.76 percent of separation cases, and 93.63 percent of nonseparation cases within 120 days.

Recommendation: The DETR should review the requirements of Title 20 of the Code of Federal Regulations (CFR), Subpart C – Responsibilities, Section 602.21, and ET Handbook 395, 5th Edition, Chapters VI and VIII.

WORKSHEET BAM-9
ANNUAL BAM ADMINISTRATIVE DETERMINATION REPORT SUMMARY

State: Nevada	**Date of Completion: April 15, 2024**
Regional Monitor(s) Completing Determination: Todd Swenson	

Findings emerge by a process of comparing "what should be" with "what is." Whether or not there is a difference, when conditions meet the criteria, acknowledgment in the Annual Determination Report and letter of satisfactory performance is appropriate. Outcomes and findings should be based on the following attributes:

- **Criteria:** The standards, measures, or expectations used in making an evaluation and/or verification (what should exist).
- **Condition:** The factual evidence, which the Monitor(s) found in the course of the examination (what does exist).

If there is a difference between the expected and actual conditions, then identify:

- **Cause:** The reason for the difference between the expected and actual conditions (why the difference exists and/or why the noncompliance occurred is occurring).
- **Effect:** The risk or exposure the SWA organization and/or others encounter because the condition is not the same as the criteria (the impact of the difference).

Requirement (Source)	**Findings**	
	SWA Adheres	**SWA Does Not Adhere**
Organization (M&P or recent review)	X	
Authority (M&P)	X	
Written Procedures (M&P)	X	
Forms (M&P)	X	
Sample Selection and Comparison Data (OWS System Reports & case assignment review)	X	
Timeliness of Case Completion (OWS System Reports)		X
Investigative Procedures & Methodology (Peer & Desk Case Reviews, System queries and reports)	X	
BAM NDNH Record Submission & Documentation (SWA Input Header, SWA Input Detail Record, and Case file documentation)	X	

If any requirement(s) is(are) not met, explain status. Additional narrative and documentation should be attached to support the conclusion, if not previously transmitted.

		Case Completion ALP = 98%	**60-day timeliness ALP 70% paid ALP 60% denied**	**90-day timeliness ALP 95% paid ALP 85% denied**	**Comparison report[1] * and/or ** **	**Sample selection[1] Paid 360[2] or 480[3] Denied 150 each**
Paid		100%	81.51%	96.42%	-5.22%	530
Denied	**Monetary**	97.47%	85.44%	96.84%	0.27%	156
	Separation	100%	86.79%	98.11%	12.33%	152
	Non-Sep	98.09%	77.07%	92.36%	9.66%	157

Conclusion: The SWA's administration of the Benefit Accuracy Measurement program:
_____ meets _X_ does not meet federal regulations.

Please note:

**** Difference between Denied Claims Accuracy (DCA) population and benchmark is 50% or more.**

*** Difference between the Paid Claims Accuracy population and benchmark is outside control limits of -10.0 and 5.0**
*** Difference between DCA population and benchmark is at least 15% but less than 50%.**

1 Case Completion, Timeliness, Comparison and Sample Selection data are based on the 2023 PIIA year, batch range 202227 – 202326.
2 360 cases for small states (ID)
3 480 cases for large states (AK, AZ, CA, HI, NV, OR, and WA)

Status: Not Corrected.

2022-022: **U.S. Department of Labor**
WIOA Cluster:
WIOA Adult Program, 17.258
WIOA Youth Activities, 17.259
WIOA Dislocated Worker Formula Grants, 17.278

Reporting
Significant Deficiency in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Affects all grant awards included under assistance listing 17.258, 17.259, and 17.278 on the Schedule of Expenditures of Federal Awards.

The Federal Funding Accountability and Transparency Act (FFATA) requires direct recipients of certain federal awards to report subaward information by the end of the month following the month in which the prime awardee obligates a subgrant award equal to $30,000.

Accurate and timely subaward information was not reported in the FFATA Subaward Reporting System (FSRS).

The Department of Employment, Training, and Rehabilitation (DETR) did not have internal controls to ensure subaward information was submitted in accordance with the FFATA.

Subaward obligation dates were not reported accurately or timely in the FSRS; therefore, public information disclosures are inaccurate.

A nonstatistical sample of three out of a population of eight applicable subawards obligations during the year was selected for testing.:

	Subawards	Obligations
Total Tested	3	$38,640,550
Not Reported	-	-
Not Timely	2	$31,112,031
Obligation Incorrect	-	-
Missing Key Elements	3	$38,640,550

Obligation dates were reported as October 1, 2021 for all three subawards rather than August 2, 2021 (two subawards) or September 22, 2021 (one subaward).

We recommend DETR implement internal controls to ensure subaward information is submitted in accordance with the FFATA.

State's Response: Nevada DETR's Response
DETR-Fiscal Management Unit has established a procedure for FFATA Sub-Contract and Award Reporting. This procedure was placed in effect in May 2023. In addition to the newly implemented procedure, internal controls have been updated - the Grants and Projects Analyst will be responsible for implementing this process and ensuring the reports are submitted in accordance with the FFATA.

Updated Nevada DETR Response as of Februan1 2024
As stated previously, corrective actions have been taken and no further actions are deemed necessary.

Estimated Date of Completion: **COMPLETED**

Contact Person: Carrie Edlefsen, Chief Financial Officer, *DETR/ESD (775)684-3952 c-edlefeen@detr.nv.gov*

Department of Employment, Training and Rehabilitation (DETR)

Procedures

FFATA Sub-Contract/Award Reporting Procedures
(Step by Step)

FFATA Report
The FFATA Sub-award Reporting System (FSRS) will collect data from Federal prime awardees on sub-awards they make: a prime grant awardee will be required to report on its sub-grants and a prime contract awardee will be required to report on its sub-contracts.

Contracts
In accordance with Federal Acquisition Regulation clause 52.204-10 (Reporting Executive Compensation and First-Tier Sub-contract Awards), Prime Contractors awarded a federal contract or order are required to file a FFATA sub-award report by the end of the month following the month in which the contract awards are greater than or equal to $25,000.

Reporting Requirements
Based on FFATA regulations, DETR requests specific pieces of information to be reported for each contract:
1. The following data about sub-awards greater than $25K
    a. Name of entity receiving award
    b. Amount of award
    c. Funding agency
    d. NAICS code for contracts / CFDA program number for grants
    e. Program source
    f. Award title descriptive of the purpose of the funding action
    g. Location of the entity (including congressional district)
    h. Place of performance (including congressional district)
    i. Unique identifier of the entity and its parent; and
    j. Total compensation and names of top five executives (same thresholds as for primes)

Process:
DETR FM staff will file a FFATA sub-award report by the end of the month, following the month in which the subcontract is greater than or equal to $25,000. The Grants & Projects Analyst, PCN 2079 or designated backup (associated Budget Manager), will file and follow reporting process as outlined above in the FFATA Subaward Reporting System (FSRS).

Basically, we would only file/update if a Subgrant Amendment (not an overall NOA/MOD) was provided to the local boards

In order to complete this process, FFATA Contracts Reporting log for each Program's (WIOA, UI, REHAB) contracts greater than $25,000 will need to be maintained on an ongoing basis.

This log will be updated anytime a Subgrant Amendment is provided to the local boards. These Subgrant Amendments are located: \\detr.nv\shares\dept\fm\FMCU CONTRACTS_CONTRACTS\GRANTS & AGREEMENTS

The first business day of the month following a Subaward Amendment, the Account Tech of the appropriated budget/grant will pull queries of vendors over $25,000 where the GL is 7060-7069, update the (WIOA, UI, REHAB) FFATA Contracts Reporting Log and send it to the Associated Budget Manager to be verified.

Budget Account	**PCN**
3254, 3265	0043
3253, 3268, 3269, 3289,3291 (Pcards)	0063
4771, 4772, 4773	0064
3272, 3273, 3274, 2580, 2581	0066
2666, 2667, 4770, 1004, 3270	0128

Budget Account	**PCN**
2580, 258, 3272, 3273, 3274	0120
4771, 4772, 4773	0061
4770, 1004, 3270	0133
2666, 2667, 3253, 3254, 3265, 3268, 3269, 3289, 3291	2078
2666, 2667	0044

Required Information to check/update:

**Note: all of this required information is found on the Subgrant Amendment.*

- All Subawardees (with contracts over $25k) are listed
- Subawardee DUNS #
- Subawardee UEI #
- Subawardee address
- Amount of Subaward
- Less modification
- Adjusted total Subaward
- Subaward Obligation/Action date
- CFDA Program Number
- Federal Agency ID
- Federal Agency Name
- Subaward Project Description
- Answer any additional question on the log

Compare the provided data with previous reports – if nothing has changed, no new report is necessary. *If, this is the case, make a note on the PDF with your stamp and save it for the month. *Making sure to let the Reviewer and GPAI know.*

Once the log is updated, the Account Tech, also known as the preparer, will print the excel worksheet as a PDF, add their "prepared by" stamp, and send it to the associated Budget Manager for review.

The Budget Manager will review the data provided, if all is correct, they will add their "reviewed by" stamp to the PDF and forward it to the Grants & Projects Analyst to enter into FSRS.

The required information must be returned or replied to within ten (10) business days to the Grants & Projects Analyst, PCN 2079.

**Make sure to add your "Preparer" and "Reviewer" stamps (similar to the 9130 quarterly reporting) to the report before sending to the GPA1 to submit.*

The Grants & Projects Analyst, PCN 2079 will then enter the required data and information in the FSRS to comply with reporting guidelines and requirements (as listed above in requirements a-j).

Follow these steps to create & submit a FFATA sub-award report: https://www.fsrs.gov/documents/FSRS_Quick_Reference_Guide_Contracts_How_to_CREATE_and_SUBMIT_a_FFATA_Sub-award_Report_v1.pdf

Note: You can always reference past reports for information.

The following information about the Prime Awardee is needed:

a. Federal Award Identifier Number (FAIN): Grant #
b. Federal Agency ID: 1630
c. Federal Agency name: EMPLOYMENT AND TRAINING ADMINISTRATION
d. Prime Awardee Unique Entity ID (SAM): VDDKPKLNJUQ1
e. Prime Awardee Name: EMPLOYMENT, TRAINING AND REHABILITATION, NEVADA DEPARTMENT OF
f. Prime Awardee Address:
    a. Street Address: 500 E 3RD ST STE 200
    b. City: CARSON CITY
    c. State: Nevada
    d. Country: United States
    e. Zip+4: 897130001
    f. Congressional District: 02
g. Principal Place of Performance (POP):
    a. City: CARSON CITY
    b. State: Nevada
    c. Country: United States
    d. Zip+4: 897130001
    e. Congressional District: 02
h. CFDA Program Number(s):
i. Project Description:
j. Total Funding Amount:
k. Obligation/Action Date:
l. Report Month:

Log in will include agreement to FSRS Terms and Conditions.

Once the FFATA report is submitted, GPA1 will print as PDF, and will attach the prepared FFAT Contracts Reporting Backup data with "Preparer" and " Reviewer" stamps as back up, and will save it to: S:\fm\REPORTS\Federal Reports\FFATA - Transparency Act\WIOA

Account Registration Process:

1. Enter your DUNS Identification Number (VDDKPKLNJUQ1). Do not include any dashes when entering your DUNS number.

NOTE: If you have an account in eSRS, you do not have to re-register. By registering under this DUNS # you certify that you are a representative of the prime contractor's company and have authority to file this report.
You can also use your Login.gov login to access FSRS.

The system will then retrieve the information that identifies information about your organization.

2. Fill in the following values:
    a. full name of the user,
    b. email address of the user,
    c. phone number of user,
    d. supervisor's name
    e. password according the FSRS criteria.

3. Then submit.

You will receive a confirmation message stating that you will be receiving a confirmation email.

NOTE: FSRS is set up for monthly reporting, there should be one report per month/year for the life of the contract or grant. Therefore, once a grant is closed, you no longer need to continue to report on it.

Saved

Past WIOA FFATA data reports have been saved to:

- S:\fm\REPORTS\Federal Reports\FFATA - Transparency Act
- WIOA Final FFATA Reports (PDF): S:\fm\REPORTS\Federal Reports\FFATA - Transparency Act\WIOA

Editing a submitted FFATA report

Q. I made a mistake on a submitted report and I need to make a correction. How can I make the corrections?

A. Once a report is submitted, you must "Reopen" the report to make changes.

1. Go to www.FSRS.gov
2. Click on "Awardee".
3. Login to FSRS using your user ID and Password.
4. Click "Create/Review Reports" and select "FFATA Reports".
5. Locate the desired report using the 'Search Filters' option.
6. Click the 'Edit' icon beside the report you wish to edit.
7. If the report is Submitted, you will need to 'Reopen' the report to be able to make any changes. To do so, select the 'Reopen to Edit Report' button from the 'Report History' box in the right sidebar. Make your desired changes and resubmit.

Note: the system only maintains the most recent version of a sub-award report. This new report will be transmitted to USAspending for display as the sub-award report for that award number and month.

Procedures are saved:

- S:\fm\REPORTS\Federal Reports\FFATA - Transparency Act - FFATA Sub-Contract & Award Reporting_Procedures
- S:\fm\POLICIES & PROCEDURES\PROCEDURES\Report Procedures
- S:\fm\POLICIES & PROCEDURES\FM Grants and Projects Analyst\PCN2079 - GRANTS\02 Procedures\04 Desk Manual

Additional Notes:

- Reopening and resubmitting the same report to update for monthly changes over the life of the contract or grant is incorrect and can create issues with your amounts being reported and it will make it more difficult to keep track of the reported awards. If you feel an error exists or have concerns, call the Federal Service Desk (FSD) at 1-866-606-8220 to walk you through the process.
- There is a Federal Service Desk link for Help, designed to be a source of help for your questions concerning the Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System (FSRS). https://www.fsrs.gov/help_desk

References:

- FSRS Awardee User Guide: https://www.fsrs.gov/documents/FSRS_Awardee_User_Guide.pdf
- FSRS FAQs: https://www.fsrs.gov/index?startover=1#a-faqs
- FSRS Awardee User Demonstration: https://www.fsrs.gov/documents/FSRS_Awardee_User_Demonstration.mp4

Status: Not Corrected.

2022-023, 2019-016
2018-019:

U.S. Department of Labor
WIOA Cluster:
WIOA Adult Program, 17.258
WIOA Youth Activities, 17.259
WIOA Dislocated Worker Formula Grants, 17.278

Subrecipient Monitoring
Significant Deficiency in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2018

Finding Summary: Affects all grant awards included under assistance listing 17.258, 17.259, and 17.278 on the Schedule of Expenditures of Federal Awards.

Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) requires that pass-through entities ensure that every subaward includes certain information at the time of the subaward and that the award's assistance listing number is identified to the subrecipient at the time of disbursement.

The assistance listing number was not identified at the time of disbursement.

The Department of Employment, Training and Rehabilitation (DETR) did not have internal controls to ensure the assistance listing number was communicated on each disbursement to a subrecipient.

Noncompliance at the subrecipient level may occur and not be detected by the Department.

A nonstatistical sample of 60 out of a population of 571 payments to subrecipients was selected for testing. DETR did not communicate the award's assistance listing number at the time of disbursement for all 60 payments.

We recommend DETR implement internal controls to ensure the assistance listing number is communicated on each disbursement to a subrecipient.

State's Response:

Nevada DETR's Response

DETR has identified a solution to the character limit issue in processing accounts payables related to subrecipient monitoring. The internal control policy has been revised to include the procedure to verify that the ALN number is included on the payment document as required.

Updated Nevada DETR Response as of February 2024

As stated previously, corrective actions have been taken and no further actions are deemed necessary.

Estimated Date of Completion: COMPLETED

Contact Person: Carrie Edlefsen, Chief Financial Officer, *DETR/ESD (775)684-3952 c-edlefeen@detr.nv.gov*

DETR-Financial Management

Regular Accounts Payable

Effective Date: 06/10/10
Revision Date: 12/07/23
Reference: 3c

REGULAR ACCOUNTS PAYABLE

The Controller's Office Financial system - Advantage has several layers of security. For those Financial Management staff authorized to process payments, each employee is assigned a certain security level. Level 3 is used to enter a document into Advantage - Financial and Level 4 is used to approve the processing of the document. This same type of security has been implemented within the regular accounts payable DETR Financial System, which is called DFS.

The Department primarily uses DFS to process payments. This Oracle based system allows for edits to be placed on all documents keyed, therefore reducing the number of coding and/or keypunch errors. This program also allows for automatic sequential vouchering of each invoice. The DFS program has levels of approval that are password protected and emulates the ADVANTAGE security system.

Security

Confidential passwords are assigned to each employee having access to DFS. These passwords are kept in a database and can only be accessed by a Computer Network Specialist in the Department's Network Support Services (IDP-DSS) section. Upon thee- mailed or verbal request of the Administrative Assistant III (PCN 3272-0090) (supported by the ADVANTAGE User Establishment Form or the ADVANTAGE User Deletion Form) for changes, deletions or additions are made. This would typically occur upon a termination, new hire, or the possible loss of confidentiality of a user password.

The password database restricts the users from create, modify or approve payments. When a batch is initiated, the employee enters their log-in and confidential password. Either a Level 3 or Level 4 may enter a payment. The payment documents are keyed and upon saving of the batch, Level 3 approval is automatically applied by the system. The batch is forwarded to a Level 4 for audit. In the DFS Batch Maintenance module, a listing of current batches is displayed and Level 4 approval, or removal of approval, is applied via a selection in a drop- down box. After Level 4 approval is applied, the batch is locked and editing access is denied unless Level 4 approval is removed.

To further tighten the security process, only the originator of the batch (or DFS Administrator as backup), can make modifications. In case of an error where the originating Level 3 is unavailable, the Batch Administrator (PCN 3272-0120) has access and can correct a Level 3 document. Also, if a Level 4 employee entered the payment transaction, he/she cannot apply Level 4 approval to their own batch.

When the batches are ready for electronic transmittal to the Controller's Office, only batches with both Level 3 and Level 4 approvals will be available for selection. It is not possible to transmit batches without both levels of approval. The sum of the data file and the sum of the transmittals must agree. The data file must be transferred to the Controller's (using the FTP process) by 11:00 a.m. daily. Upon transfer, a signed "Electronic Transfer of Documents" form must be completed, signed by an authorized representative, and emailed to the Controller's Office.

As a general rule, all documents for payment are delivered to the employee who is assigned the specific budget account or function. Below is a position responsibility chart by position control number for clarification. Management has the authority to enter or approve batches but is not typically involved in the daily process. To ensure adequate office coverage, the equivalent approval levels may process payments for any of the DETR budget accounts.

PCN	Title	Budget Accounts	Approval Level
0133	Management Analyst III	3253, 3254, 3265, 3268,3269	4
0061	Management Analyst III	2666,4770,4771,4772	4
0120	Administrative Services Officer I	2580, 3270, 3272, 3273,3274	4
0043	Accountant Technician II	4770,4771,4772	4
0128	Accountant Technician II	3253,3268,3269	4
0064	Accountant Technician II	4770,4771,4772	
0066	Accountant Technician II	2580, 3270, 3272, 3273,3274	4
0063	Accountant Technician II	3254,3265	4
0065	Accounting Assistant III	2580,2666, 3270 3272, 3273, 3274, 4770, 4771,4772	4
0082	Accounting Assistant III	2580, 2666, 3270 3272, 3273, 3274, 4770, 4771,4772	4
0086	Accounting Assistant III	3254,3265	4
0083	Accounting Assistant II	2580,2666, 3270, 3272, 3273, 3274, 4770,	3
		4771,4772	
0084	Accounting Assistant II	2580, 2666, 3270, 3272, 3273, 3274, 4770, 4771,4772	3
0085	Accounting Assistant II	3253,3268,3269	3
0087	Accounting Assistant II	3254,3265	3
0088	Accounting Assistant II	3254,3265	3

Processing of Payments - Level 3 Approval

The employee verifies that the invoice is in compliance with SAM and agency policies and procedures, facilitated by the Pre-Audit Checklist. The employee then groups the invoices and supporting documentation into batches. A sequential batch number is automatically assigned from DFS. The employee determines coding (budget account, category, general ledger number, allocation code or job number and vendor number) and inputs the information into DFS. The Accounting Assistant then prints a batch summary sheet. A coding sheet (known as a DIP) is also printed and attached to the appropriate invoice. The batch summary sheet, coding sheets and original invoices with backup are forwarded to a Level 4 for auditing and final approval.

Pre-Audit and Approval - Level 4 Approval

The pre-audit review of the original document includes compliance with the pre-audit checklist, and related SAM and agency policies and procedures. If the document passes pre- audit, the coding sheet is initialed and dated. The batch summary sheet is signed and dated. The approved batch is "electronically stamped" with the Level 4 approval in DFS upon completion of the pre-audit review. If documents require correction, they will be returned to the employee. The employee will update the coding in DFS and new coding sheet(s) and new batch summary sheets will be produced reflecting the change. The documents are again forwarded to a Level 4 for approval. After the batch has passed the pre-audit process, it is placed in the central file pending reconciliation.

Documents for Payment - Level 3 Approval (Advantage)

IN ORDER TO INPUT PAYABLES DIRECTLY INTO ADVANTAGE, SIGNATURE APPROVAL IS NEEDED FROM MANAGEMENT.

The assigned Level 3 staff member completes an ADVANTAGE Payment Voucher Input Form that includes the appropriate coding (fund, agency, org code, budget account, category, general ledger number and vendor number). A voucher number is obtained from DFS to maintain the numbering system and noted on the Input Form, but the batch is not saved. The PV (payment voucher) is entered in ADVANTAGE - Financial.

If an invoice has a number, the invoice number must be recorded in ADVANTAGE to protect against duplicate payments. The employee enters the account number and description in the line detail's view, including sufficient information in Description and Additional Description fields of the PV document to identify payment for the vendor. This information will be printed on the check stub. After the PV has passed all the edits, Level 3 approval is applied. The PV Input Form and backup documentation are forwarded to a Level 4 authority for final approval.

Pre-Audit and Approval - Level 4 Approval (Manual Processing)

See "Pre-Audit and Approval procedures" as previously stated. Approvals and corrections are applied in ADVANTAGE - Financial rather than in DFS. The ADVANTAGE Payment Voucher Input Form is initialed and dated upon approval.

Transaction Exception Report

On a daily basis the transaction exception reports will be viewed. The duty is rotated between the Accounting Assistant II positions (PCN's 0085, 0083, 0084 and 0087), and may be handled by other positions if coverage is needed. If an item appears on the Exception Report as rejected; the original document is returned to the document's originator. If the exception cannot be resolved by the originator, his/her supervisor will work with them on correcting the document and finalizing the payment. Once correction is made on the suspense file and written on the document, the original payment document is given to a Level 4 for review and approval. Rejects remaining longer than 5 working days must be discussed with the supervisor to determine reason for delay and action needed.

Requirements for Specific Types of Accounts Payable

Billing Claims, Payment to State Agencies

Billing claims (BC) are received and forwarded to the Accounting Assistant that handles that budget account. The Rehabilitation Central Office staff may provide coding before the billing claim arrives to Financial Management.

The Accounting Assistant verifies correctness of billing and reviews the debit portion of the coding, if supplied, or applies coding as required. The BC is then forwarded to a Level 4 for approval.

The BC is returned to the Accounting Assistant for final distribution. Prior to sending the BC to the Controller's Office for processing a copy is placed in the pending file.

When the BC processes on the BSR, the Accounting Assistant notes the clearing date on the pending copy, and it is filed in the central files.

Assistance Listing Number (ALN) for Subrecipients

All Federal Subrecipients payments are required to include their assigned Federal award ID, called Assistance Listing Number (ALN).

Federal job numbers provide a unique accounting code used to track revenue and expenditures specific to that grant. In accordance with the Controller's Office requirements, the job number for the federal grant funding contains the Assistant Listing Number (ALN)) number associated with the grant.

When a Payment Voucher also known as PD is entered in DFS, the unique ALN # should be noted in the PV Note field. *See example below.*

PVNote: DEC 14ALN#17.259YOUTH
Modlned By: S-SHANNON Date Modified: 11/30/2023

When multiple jobs are used in one payment voucher, they all need to be recorded.

1. The PD can be intercepted in ADVANTAGE, under the document listing suspense file (SUSF) while in Accepted status (ACCPT) to add more characters to Text to the document.
    - While in SUSF
        - Click Edit or F7 to bring the document to editing mode
        - Click Edit - Additional description or F3
        - A text window will pop-up and you can add the rest of the ALN information as needed
        - Once done, click Modify and Add or F6 and the text will then added/saved.
        - Exit the text window
2. Make sure the document saved the text by
    - Click Edit or F7 again to save the changes
    - Apply your PEND3
    - Give to a PEND4 to review/approve the document

Travel & Training

Travel and Training payments are processed through the DFS application program in FM, while adhering to the payable procedures. In-state and out-of-state travel must adhere to the State Administrative Manual (SAM) and the Department Travel Procedures which can be found on the DETR Intranet under DETR Policies and Procedures/ Administrative Policy and Procedures Manual. All Travel and Training requests must be input into the DFS Travel Module. Electronic approvals must be applied by the appropriate office personnel prior to processing. A copy of the current GSA Guidelines must accompany each Travel payment.

Contracts

Contract payments are processed through the DFS application program in FM, while adhering to the payables procedures. Contracts and Leases Internal Procedures can also be found under DETR Policies and Procedures/Administrative Policy and Procedures Manual on the DETR Intranet.

Status: Not Corrected.

2022-024,
2021-030:

U.S. Department of the Treasury
Coronavirus Relief Fund, 21.019

Reporting
Material Weakness in Internal Control over Compliance and Material Noncompliance

Initial Fiscal Year Finding Occurred: 2021

Finding Summary: Affects all grant awards included under assistance listing 21.019 on the Schedule of Expenditures of Federal Awards.

The OMB Compliance Supplement requires that reports submitted to the federal awarding agency include all activity of the reporting period, are supported by applicable accounting or performance records, and are fairly presented in accordance with governing requirements.

The Nevada Governor's Finance Office (GFO) must submit quarterly Financial Progress Reports that contain COVID-19 related costs incurred during the covered period to Treasury OIG. Critical information includes:

- The total amount of payments received from Treasury.
- The amount of funds received that were expended or obligated for each project or activity.
- A detailed list and a description of all projects or activities for which funds were expended or obligated.
- Detailed information on any loans issued; contracts and grants awarded; transfers made to other government entities; and direct payments made that are greater than $50,000.

Some expenditures were not reported in the appropriate classification or by vendor.

GFO did not have adequate internal controls to ensure Financial Progress Reports were prepared in accordance with governing requirements.

Inaccurate information was reported to the federal awarding agency.

A nonstatistical sample of two *Financial Progress Reports* from a population of four was selected for testing. Obligations for Direct Payments greater than $50,000 did not agree to underlying support. Transfers to other agencies within the State were reported as direct payments to the State of Nevada rather than reported by the vendor that those agencies expended funds to. In addition, payments to subrecipients were reported as direct payments to vendors rather than as a subrecipient payment.

The cumulative impact is as follows:

Reporting Period Ended December 31, 2021
For reporting category - direct payments > $50,000:
Obligations were reported as $371,850,696. However, supporting documentation showed obligations of $44,591,536. Of the $371,850,696 $327,259,160 should have been reported by vendor as either a contract, grant, transfer, vendor specific (rather than state agency, county, or city) direct payment, or an aggregate payment to an individual.

Expenditures were reported as $4,297,856. However, we identified $4,109,950 in expenditures that were reported as a direct payment to other state agencies, counties, or cities. The $4,109,950 should have been reported by vendor as either a contract, grant, transfer, vendor specific (rather than state agency, county, or city) direct payment, or aggregate payment to an individual.

Reporting Period Ended June 30, 2022
For reporting category - direct payments > $50,000:
Obligations were reported as $33,920,290. However, we identified $7,773,744 in obligations that were reported as a direct payment to other state agencies, counties, or cities. The $7,773,744 should have been reported by vendor as either a contract, grant, transfer, vendor specific (rather than state agency, county, or city) direct payment, or aggregate payment to an individual

We recommend the GFO enhance internal controls to ensure Financial Progress Reports are prepared in accordance with governing requirements.

State's Response: The corrective action to report expenditures in the appropriate classification or by vendor was completed and reported in GrantSolutions for the quarter ending June 2022.

The Governor's Finance Office is updating its internal controls to ensure Financial Progress Reports are prepared in accordance with governing requirements. The anticipated completion date is June 2024.

Status: Partially corrected.

2022-025,
2021-031: **U.S. Department of the Treasury**
Coronavirus Relief Fund, 21.019

Subrecipient Monitoring
Material Weakness in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2021

Finding Summary: Affects all grant awards included under assistance listing 21.019 on the Schedule of Expenditures of Federal Awards.

Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) section 200.332 requires that:

Pass-through entities communicate the award's assistance listing number to the subrecipient at the time of disbursement.

Pass-through entities verify every subrecipient is audited as required by Uniform Guidance, issue management decisions for audit findings, as applicable, and ensure the subrecipient takes timely corrective action on all audit findings, as applicable.

Assistance listing numbers were not communicated at disbursement and there was no evidence that subrecipient audit reports were monitored.

Adequate internal controls were not in place to ensure compliance with subrecipient monitoring requirements for the following agencies:

- Nevada Supreme Court
- Nevada Governor's Finance Office

Noncompliance at the subrecipient level may occur and not be detected by the State.

A nonstatistical sample of 4 subrecipients out of a population of 18 across all State agencies was selected for testing. A nonstatistical sample of 12 passthrough payments out of a population of 56 was selected for testing.

The following errors were noted by agency:

<u>Nevada Governor's Finance Office</u>
We tested four subrecipients and nine pass-through payments applicable to the Governors Finance Office. No documentation was available to provide that any of the four subrecipient audit reports had been monitored.

In addition, the assistance listing was not communicated at the time of disbursement for one pass-through payment tested.

Nevada Supreme Court
We tested three pass-through payments applicable to the Nevada Supreme Court. The assistance listing was not communicated at the time of disbursement for all three pass-through payments.

We recommend the State agencies listed above enhance internal controls to ensure compliance with subrecipient monitoring requirements.

State's Response:

Supreme Court of Nevada response:
Corrected as of 02/17/2023. Correction was not retroactive.

Governor's Finance Office response:
The corrective action to add the assistance listing number to disbursements was completed in January 2023 and the Governor's Finance Office contracted with a vendor to complete all subrecipient monitoring.

The Governor's Finance Office is updating its internal controls to ensure Financial Progress Reports are prepared in accordance with governing requirements. The anticipated completion date is June 2024.

Status:

Supreme Court of Nevada response: Corrected.
Governor's Finance Office response: Partially corrected.

2022-026,
2021-034

U.S. Department of Treasury
Emergency Rental Assistance Program, 21.023

Reporting
Significant Deficiency in Internal Control over Compliance

Initial Fiscal Year Finding Occurred:

2022

Finding Summary:

Affects all grant awards included under assistance listing 21.023 on the Schedule of Expenditures of Federal Awards.

Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 200.303 provides that non-federal entities must establish and maintain effective internal control that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

The OMB *Compliance Supplement* provides that states are required to submit Federal Financial Reports (SF-425). In addition, states are required to submit Quarterly Reports for Emergency Rental Assistance as amended by the Consolidated Appropriations Act of 2021 (ERA1) and Emergency Rental Assistance from the American Rescue Plan Act (ERA2).

There was no review of the SF-425 reports or *Quarterly Reports* by an individual independent of the preparation of the reports.

The Nevada Housing Division (NHD) did not have internal controls to ensure reports are reviewed prior to submission.

Inaccurate information may be submitted to the federal awarding agency.

A nonstatistical sample of two SF-425 reports out of a population of four and four *Quarterly Reports* out of a population of eight was selected for testing. There was no evidence of segregation of duties on any of the reports selected for testing.

We recommend NHD implement internal controls to ensure reports are reviewed prior to submission.

State's Response: In FY25, the Division moved ERAP to the Grants Team for management of the subrecipients and reporting. Additionally, the Division established an internal audit and compliance committee to enhance oversight of existing policies for assessing risk, monitoring, and sharing best practices across its business in January of 2024. The internal audit and compliance committee is responsible for reviewing internal controls and policies on an annual basis, following up on any audit findings and ensuring follow-through of corrective action plans. Finally, the Division received legislative approval for an Auditor 3 position that will commence in October 2025 to support fiscal and overall grant compliance.

Adoption of Corrective Action: January 2024

Status: Partially Corrected.

2022-027, 2021-034:

U.S. Department of Treasury
Emergency Rental Assistance Program, 21.023

Reporting
Material Weakness in Internal Control over Compliance and Material Noncompliance

Initial Fiscal Year Finding Occurred: 2021

Finding Summary: Affects all grant awards included under assistance listing 21.023 on the Schedule of Expenditures of Federal Awards.

The OMB *Compliance Supplement* requires that reports submitted to the federal awarding agency include all activity of the reporting period, are supported by underlying accounting information, and are presented in accordance with program requirements.

The OMB *Compliance Supplement* provides that all grantees must submit Quarterly Reports with reporting periods of one calendar quarter and several cumulative fields covering all activity from the date of award through the quarter close. The key line items are the cumulative amount obligated and the cumulative amount expended. These Quarterly Reports are required for expenditures of

Emergency Rental Assistance as amended by the Consolidated Appropriations Act of 2021 (ERA1) and Emergency Rental Assistance from the American Rescue Plan Act (ERA2).

Quarterly Reports submitted for ERA2 were not prepared with the same underlying methodology as the ERA1 Quarterly Reports and adequate documentation was not available to support the inconsistent reporting.

The Nevada Housing Division (NHD) did not have adequate internal controls to ensure required reports were prepared consistently and with appropriate supporting documentation.

Inaccurate information may have been reported to the federal awarding agency.

A nonstatistical sample of four *Quarterly Reports* out of a population of eight was selected for testing. The December 31, 2021 and March 31, 2022 ERA 2 *Quarterly Reports* were supported by partial underlying information. However, the information reported (i.e., what constituted an obligation and an expenditure) was different than the ERA 1 *Quarterly Reports* for the same quarter ends. Supporting documentation was not available to describe why the deviation in reporting methodology took place for the same quarter ends.

We recommend NHD enhance internal controls to ensure the Quarterly Reports are prepared consistently and with appropriate supporting documentation.

State's Response: In FY25, the Division moved ERAP to the Grants Team for management of the subrecipients and reporting. Additionally, the Division established an internal audit and compliance committee to enhance oversight of existing policies for assessing risk, monitoring, and sharing best practices across its business in January of 2024. The internal audit and compliance committee is responsible for reviewing internal controls and policies on an annual basis, following up on any audit findings and ensuring follow-through of corrective action plans. Finally, the Division received legislative approval for an Auditor 3 position that will commence in October 2025 to support fiscal and overall grant compliance.

Adoption of Corrective Action: January 2024

Status: Partially Corrected.

2022-028: **No finding reported, finding 2022-028 was not used.**

2022-029: **U.S. Department of Treasury**
Homeowners Assistance Fund, 21.026

Cash Management
Material Weakness in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Affects all grant awards included under assistance listing 21.026 on the Schedule of Expenditures of Federal Awards.

Title 2 *U.S Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 305(b)(1) states that pass-through entities must monitor cash drawdowns by their subrecipients to ensure that the time elapsing between the transfer of federal funds to the subrecipient and their disbursement for program purposes is minimized.

In accordance with Title 2 of *U.S Code of Federal Regulation* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 305(b)(8) and section 305(b)(9), HAF participants must maintain advance payments of their Federal awards in interest-bearing accounts, except in cases specified by that provision of regulations. HAF participants may retain up to $500 in earned interest annually from the date Treasury disbursed HAF award funds to the HAF participant. Any additional interest earned must be remitted annually to the Department of Health and Human Services Payment Management System.

The Nevada Housing Division (NHD) did not adequately monitor cash drawdowns by their subrecipients to ensure that the time elapsing between transfer of federal funds to the subrecipient and their disbursement for the program purpose was minimized. NHD did not track interest earned on funds advanced by the Department of Treasury and did not remit NHD's interest earned greater than $500.

NHD did not have internal controls to ensure time between disbursement of federal funds to the subrecipient and their disbursement for program purposes was minimized and to ensure interest was appropriately tracked and remitted in accordance with federal regulations.

An interest liability occurred due to cash advances not being spent as close as administratively feasible to when received and NHD's interest was not remitted.

The entire population of two subrecipient payments were selected for testing. The subaward provided for an initial advance funding of $3,000,000 for initial program costs, which was advanced on September 16, 2021. A second payment was made on May 17, 2022 for $9,000,000 when the original $3,000,000 had not yet been spent.

Interest of $213,019 was earned on funds advanced to NHD for the year ended June 30, 2022 and was not remitted to the Department of Health and Human Services Payment Management System in accordance with federal regulations.

We recommend NHD implement internal controls to ensure time between disbursement of federal funds to the subrecipient and their disbursement for program purposes is minimized and to ensure interest is appropriately tracked and remitted.

State's Response: Since the completion of the FY22 audit, the Division has followed up with the Controller and Treasury to identify the amount of interest to be returned and support the process per Treasury Guidance. Additionally, as of January 2024, the Division has established an Internal Audit and Compliance Committee (IACC) to

review findings, follow up on corrective action plans and overall support internal controls. The IACC has been meeting regularly and is actively working across units.

Status: Partially Corrected.

2022-030: **U.S. Department of Treasury**
Homeowners Assistance Fund, 21.026

Reporting
Significant Deficiency in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Affects all grant awards included under assistance listing 21.026 on the Schedule of Expenditures of Federal Awards.

Title *2 U.S. Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 200.303 provides that non-federal entities must establish and maintain effective internal control that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

The OMB Compliance Supplement requires that state homeowner assistance fund (HAF) participants submit a one-time interim report.

There was no evidence that the one-time interim report was reviewed by an individual separate from the preparer.

The Nevada Housing Division (NHD) did not have internal controls to ensure there was documented review of the one-time interim report.

Incorrect information may be submitted to the federal awarding agency.

We tested the entire population of one report submitted during the year.

We recommend NHD implement internal controls to ensure there is documented review of reports submitted to federal awarding agencies.

State's Response: As of January 2024, the Division has established an Internal Audit and Compliance Committee (IACC) to review findings, follow up on corrective action plans and overall support internal controls. The IACC has been meeting regularly and is actively working across units.

Status: Partially Corrected.

2022-031: **U.S. Department of Treasury**
Homeowners Assistance Fund, 21.026

Reporting
Material Weakness in Internal Control over Compliance and Material Noncompliance

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Affects all grant awards included under assistance listing 21.026 on the Schedule of Expenditures of Federal Awards.

The Federal Funding Accountability and Transparency Act (FFATA) requires direct recipients of certain federal awards to report subaward information by the end of the month following the month in which the prime awardee obligates a subgrant award equal to $30,000.

Required subaward information was not reported in the FFATA Subaward Reporting System (FSRS).

The Nevada Housing Division (NHD) did not have internal controls to ensure subaward information was submitted in accordance with the FFATA.

Subaward obligations were not reported in the FSRS and therefore not included on the FFATA's website for public information disclosure.

We tested the entire population of one subaward obligated during the year. The quantity and subaward obligation errors were noted as follows:

	Subawards	Obligations
Total Tested	1	$12,000,000
Not Reported	1	$12,000,000
Not Timely	1	$12,000,000
Obligation Incorrect	1	$12,000,000
Missing Key Elements	1	$12,000,000

We recommend NHD implement internal controls to ensure subaward information is submitted in accordance with the FFATA.

State's Response: As of January 2024, the Division has established an Internal Audit and Compliance Committee (IACC) to review findings, follow up on corrective action plans and overall support internal controls. The IACC has been meeting regularly and is actively working across units.

Status: Partially Corrected.

2022-032: **U.S. Department of Treasury**
Homeowners Assistance Fund, 21.026

Subrecipient Monitoring
Material Weakness in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Affects all grant awards included under assistance listing 21.026 on the Schedule of Expenditures of Federal Awards.

Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 200.332 requires that:

Pass-through entities ensure every subaward includes certain information at the time of the subaward and that the award's assistance listing number is identified to the subrecipient at the time of disbursement.

Pass-through entities evaluate each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring.

Subawards and disbursements did not contain all the required information, an evaluation of each subrecipient's risk of noncompliance for purposes of determining the appropriate subrecipient monitoring was not performed.

The Nevada Housing Division (NHD) did not have internal controls to ensure compliance with subrecipient monitoring requirements.

Noncompliance at the subrecipient level may occur and not be detected by NHD.

The entire population of one subrecipient was selected for testing, which included two payments. The subaward was missing required information, a risk assessment was not performed, and both payments were missing the assistance listing number.

We recommend NHD implement internal controls to ensure compliance with subrecipient monitoring requirements.

State's Response: The Division established an internal audit and compliance committee to enhance oversight of existing policies for assessing risk, monitoring, and sharing best practices across its business in January of 2024. The internal audit and compliance committee is responsible for reviewing internal controls and policies on an annual basis, following up on any audit findings and ensuring follow-through of corrective action plans. Finally, the Division received legislative approval for an Auditor 3 position that will commence in October 2025 to support fiscal and overall grant compliance.

Adoption of Corrective Action: January 2024

Status: Partially Corrected.

2022-033: **U.S. Department of the Treasury**
Coronavirus State and Local Fiscal Recovery Fund, 21.027

Allowable Activities
Material Weakness in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Affects all grant awards included under assistance listing 21.027 on the Schedule of Expenditures of Federal Awards.

The *OMB Compliance Supplement* provides that recipients may use funds for any eligible expenses subject to restrictions set forth in sections 602 and 603 of the Social Security Act as added by section 9901 of the American Rescue Plan Act of 2021, Treasury's Interim Final Rule and Final Rule at 31 CFR sections 35.7 and 35.8, and Treasury's FAQs.

The Final Rule provides that recipients may use funds to replace lost public sector revenue to provide government services to the extent of the reduction in revenue experienced due to the pandemic. The lost revenue calculation is described in the Final Rule and provides an illustrative example of the definition of general revenue within the census bureau classification structure of revenue in the FAQs.

Lost revenue was not calculated consistently in accordance with the Final Rule's definition of general revenue.

The Nevada Governor's Finance Office (GFO) did not have adequate internal controls to ensure the revenue loss calculation was prepared in accordance with governing requirements.

The maximum allowable expenditures to be spent on government services pursuant to lost public sector revenue was inaccurate.

Cumulative lost revenue, applicable to fiscal year 2022 was calculated for calendar years 2020 and 2021. We examined the calculation performed by GFO and noted general revenues that were improperly excluded (from the base years and calculated years). We reperformed the calculation and noted the following:

- We calculated a growth rate of 6.5% from the base years, whereas GFO used a growth rate of 5.2% (minimum rate allowable).
- For calendar year 2020, GFO determined revenue loss to be $1,086,485,000. We recalculated revenue loss using all general revenues and revenue loss was determined to be $2,058,142,958. This was a variance of $971,657,958 where GFO was understated in the calculation of lost revenue (which does not cause any unallowable expenditures).
- For calendar year 2021, we and GFO both calculated lost revenue of $0, although the revenue comparisons were different based on the revenues and growth rate used.

We recommend GFO enhance internal controls to ensure the revenue loss calculation is prepared in accordance with the governing requirements.

State's Response: Corrected January 2024.

Status: Corrected.

2022-034: **U.S. Department of the Treasury**
Coronavirus State and Local Fiscal Recovery Fund, 21.027

Procurement, Suspension, and Debarment
Significant Deficiency in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Affects all grant awards included under assistance listing 21.027 on the Schedule of Expenditures of Federal Awards.

Title 2 *U.S. Code of Federal Regulations* Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) requires contracts contain the applicable provisions described in Appendix II to Part 200 for contracts under federal awards.

Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred.

Certain applicable provisions described in Appendix II to Part 200 were not included in contracts as required. Procedures were not followed to verify if an entity was suspended or debarred before entering into a covered transaction.

The Nevada Governor's Finance Office (GFO) did not have adequate internal controls to ensure contracts under federal awards contained all of the applicable provisions or to ensure procedures were followed to verify an entity was not suspended or debarred prior to entering into a covered transaction.

The Nevada Housing Division (NHD) did not have adequate internal controls to ensure procedures were followed to verify subrecipients were not suspended or debarred prior to entering into a covered transaction.

Contractors may not be aware of required terms and conditions. A covered transaction may be entered into with an entity or subrecipient that is suspended or debarred.

A nonstatistical sample of 60 procurement transactions out of approximately 2,500 was selected for testing, including 12 contracts subject to Appendix II to Part 200. A nonstatistical sample of three subrecipients out of a population of six was selected for testing.

The following errors were noted by agency:

Nevada Governor's Finance Office
Two of the contracts were missing certain applicable provisions. Suspension and debarment verification procedures were not performed for two vendors.

Nevada Housing Division
Suspension and debarment verification procedures were not performed for one subrecipient.

We recommend the State agencies listed above enhance internal controls to ensure all contracts under federal awards contain the applicable provisions and procedures are followed to ensure entities are not suspended or debarred prior to entering into covered transactions.

State's Response:

GFO response:
The Governor's Finance Office met with the State Purchasing Division in January 2024 and State Purchasing is updating its policy and procedure to ensure all contracts under federal awards contain the applicable provision and procedures. The Governor's Finance Office is updating its internal controls. Internal Controls were reviewed and revised June 2024 and April 2025.

NHD response:
The Division worked with its grant compliance consultants for the State and Local Fiscal Recovery Funds to review all subrecipients in SAM.gov to ensure that they were not suspended or debarred. Additionally, the grant compliance consultants monitor for procurement and other SLFRF requirements.

Purchasing Division response:
As part of Purchasing's standard contracting procedures, and shortly after the audit findings were discussed with GFO in January 2024, the Purchasing Division commenced fulfilling the recommendations regarding **provisions described in Appendix II to Part 200** that had not been consistently included in contracts as indicated below.

When Purchasing leads a Request for Proposal (RFP) process and is notified - via Section 4 of the RFP Template provided to agencies utilizing Federal Awarded Funds – Purchasing ensures that all applicable federal provisions and procedures are incorporated into the solicitation, either by reference or as attachments.
For state agencies conducting their own solicitation, Purchasing provides an RFP Template that requires identification of the relevant Code of Federal Regulations (CFR) to be referenced and included in the resulting contract, thereby supporting compliance with federal requirements.

This corrective action (RE: provisions) has been actively in place since approximately January 2024.

As part of Purchasing's updated internal controls, and shortly after the audit finding was reported, the Purchasing Division commenced fulfilling the recommendation as indicated below **regarding suspended or debarred entities**.

Prior to Purchasing awarding a contract, the responsible Purchasing Officer performs a SAM.gov check on the vendor in question, prints out the page indicating that the entity is not suspended or debarred and then the document is attached to the Bid in ePro (Nevada's official online portal for government procurement), which is posted publicly.

This corrective action (RE: debarred entities) has been actively in place since approximately July 2023.

Status: GFO response: Partially corrected.
NHD response: Corrected.
Purchasing Division response: Partially corrected.

2022-035: **U.S. Department of the Treasury**
Coronavirus State and Local Fiscal Recovery Fund, 21.027

Subrecipient Monitoring
Material Weakness in Internal Control over Compliance and Material Noncompliance

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Affects all grant awards included under assistance listing 21.027 on the Schedule of Expenditures of Federal Awards.

Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 200.332 requires that:

Pass-through entities ensure every subaward includes certain information at the time of the subaward and the assistance listing number is communicated at the time of disbursement to subrecipients.

Pass-through entities evaluate each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring. In addition, the subrecipient monitoring must ensure that the subaward is used for authorized purposes.

Subawards did not contain all the required information, assistance listing numbers were not communicated at the time of disbursement, an evaluation of each subrecipients risk of noncompliance for purposes of determining the appropriate subrecipient monitoring was not performed and monitoring procedures were not performed.

Adequate internal controls were not in place to ensure compliance with subrecipient monitoring requirements for the following agencies:

- Nevada Governor's Finance Office
- Nevada Housing Division

Noncompliance at the subrecipient level may occur and not be detected by the State.

A nonstatistical sample of three subrecipients out of a population of six across all State agencies was selected for testing. A nonstatistical sample of five passthrough payments out of a population of 20 was selected for testing.

The following errors were noted by agency:

Nevada Governor's Finance Office
We tested 5 pass-through payments applicable to the Nevada Governor's Finance Office. The assistance listing was not communicated at the time of disbursement for all pass-through payments tested.

Nevada Housing Division
We tested one subrecipient applicable to the Nevada Housing Division. A risk assessment was not performed, the subaward was missing required information and no monitoring procedures were performed as necessary to ensure the subaward was used for authorized purposes.

We recommend the State agencies listed above enhance internal controls to ensure compliance with subrecipient monitoring requirements.

State's Response: Governor's Finance Office response: The corrective action to add the assistance listing number to disbursements was corrected in January 2023. The Governor's Finance Office has updated its internal controls. Internal Controls were reviewed and revised June 2024 and April 2025.

Nevada Housing Division response: The Division worked with its grants compliance consultants for the State and Local Fiscal Recovery Funds to review all subrecipients in SAM.gov to ensure that they were not suspended or debarred.

Status: Governor's Finance Office response: Partially corrected.
Nevada Housing Division response: Corrected.

2022-036: **U.S. Department of the Treasury**
Coronavirus State and Local Fiscal Recovery Fund, 21.027

Other
Material Weakness in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Affects all grant awards included under assistance listing 21.027 on the Schedule of Expenditures of Federal Awards.

Title 2 *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) requires the State of Nevada to prepare a Schedule of Expenditures of Federal Awards (SEFA) showing both total federal expenditures and payments to subrecipients for the year.

Amounts were originally reported incorrectly on the SEFA.

The Nevada Governor's Finance Office (GFO) did not have adequate internal controls to ensure payments to subrecipients were appropriately reported on the SEFA.

Prior to correction, amounts passed through to subrecipients on the SEFA were overstated by $332,407,747.

No sampling was used; all program expenditures on the SEFA were reconciled to supporting records.

We recommend GFO enhance internal controls to ensure payments to subrecipients are appropriately reported on the SEFA.

State's Response:

Status: Corrected.

2022-037: **U.S. Department of Education**
Title I Grants to Local Educational Agencies, 84.010

Matching, Level of Effort, and Earmarking
Significant Deficiency in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Affects all grant awards included under assistance listing 84.010 on the Schedule of Expenditures of Federal Awards.

Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 200.303 provides that non-federal entities must establish and maintain effective internal control that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Information the Nevada Department of Education (NDE) compiled to monitor local educational agency compliance with maintenance of effort requirements did not agree to underlying supporting documentation.

NDE did not have sufficient internal controls to ensure information included in the maintenance of effort monitoring document agreed to underlying documentation.

Noncompliance with maintenance of effort requirements may not be detected.

A nonstatistical sample of five school districts and four charter schools out of a population of 17 school districts and 37 charter schools was selected for testing. Amounts included in the calculation for one school district and one charter school did not agree to underlying supporting documentation.

We recommend NDE enhance internal controls to ensure information included in the maintenance of effort monitoring document agrees to underlying documentation.

State's Response: **Reason for Recurrence:** NDE was not notified of the 2022 finding until after fiscal year 2023 (FY23) had concluded; however, the majority of the corrective action has since been implemented and corrected.

Corrective Action: A checklist detailing the chain of review has been developed and will be implemented to track the review and approval process of federal reports prior to submission. NDE shall implement internal control monitoring specific to the use of this checklist and adherence to internal controls regarding levels of review. The Office of Division Compliance will collaborate across the Department to ensure adoption and adherence to the use of this form

Status: Partially Corrected.

2022-038: **U.S. Department of Education**
Title I Grants to Local Educational Agencies, 84.010

Reporting
Significant Deficiency in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Affects all grant awards included under assistance listing 84.010 on the Schedule of Expenditures of Federal Awards.

The *OMB Compliance Supplement* provides that State Educational Agencies must submit their average state per pupil expenditure data to the National Center for Education Statistics (*State Per Pupil Expenditure Report*).

Formula errors in the *State Per Pupil Expenditure Report* resulted in amounts reported for certain pass-through dollars to be inaccurate.

The Nevada Department of Education (NDE) did not have internal controls to ensure the *State Per Pupil Expenditure Report* was completed accurately.

Inaccurate information was reported to the National Center for Education Statistics.

The *State Per Pupil Expenditure Report* for the year ended June 30, 2021 (submitted in August 2022) was selected for testing. There were no expenditures reported for "Object Code 970 pass-through dollars"; however, the actual amount was $2,408,320. This error had no effect on the final per pupil expenditure calculation.

We recommend NDE enhance internal controls to ensure the State Per Pupil Expenditure Report is completed accurately.

State's Response: NDE shall develop a comprehensive Policy and Procedure (1.10 F-33 Report, Annual Survey of School System Finances) documenting the process for the development, review, and finalization of the F-33 report. Supplemental to the Policy and Procedure, NDE shall develop a Business Rule which clearly crosswalks source data to reporting outcomes. This business rule shall integrate principles from NDE's Records Management Program, to include clear file

architecture for supporting documentation. A checklist detailing the chain of review shall also be implemented to track the review and approval process of federal reports prior to submission. Finally, NDE shall implement internal control monitoring specific to this report upon completion of an internal monitoring assessment. NDE will further review existing internal controls to determine if further support is necessary. The Office of Division Compliance will collaborate with the Office of District Support Services to develop and finalize these documents.

Status: Not Corrected.

2022-039, 2021-036:

U.S. Department of Education
Title I Grants to Local Educational Agencies, 84.010

Reporting
Material Weakness in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2021

Finding Summary: Affects all grant awards included under assistance listing 84.010 on the Schedule of Expenditures of Federal Awards.

The Federal Funding Accountability and Transparency Act (FFATA) requires direct recipients of certain federal awards to report subaward information by the end of the month following the month in which the prime awardee obligates a subgrant award equal to $30,000.

Required subaward information was not reported timely in the FFATA Subaward Reporting System (FSRS).

The Nevada Department of Education (NDE) did not have internal controls to ensure subaward information was submitted timely in accordance with the FFATA.

Subaward obligations were not reported timely in the FSRS.

A nonstatistical sample of four out of a population of 17 applicable subaward obligations was selected for testing. The quantity and subaward obligation errors were noted as follows:

	Subawards	Obligations
Total Tested	4	$1,318,963
Not Reported	-	-
Not Timely	4	$1,318,963
Obligation Incorrect	-	-
Missing Key Elements	-	-

We recommend NDE enhance internal controls to ensure subaward information is submitted timely in accordance with the FFATA.

State's Response:

Status: Corrected.

2022-040: **U.S. Department of Education**
Title I Grants to Local Educational Agencies, 84.010

Special Tests and Provisions
Material Weakness in Internal Control over Compliance and Material Noncompliance

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Affects all grant awards included under assistance listing 84.010 on the Schedule of Expenditures of Federal Awards.

The *OMB Compliance Supplement* provides that a State Educational Agency (SEA) must apply section 4306(c) of the ESEA to calculate a hold-harmless base for the prior year that reflects the new or significantly expanded enrollment of the charter school local educational agency (LEA).

Documentation that the hold-harmless base for the prior year that reflects the new or significantly expanded enrollment of the charter school LEA was not maintained and thus not able to be tested.

The Nevada Department of Education (NDE) did not have internal controls to ensure appropriate documentation of the calculation of the hold-harmless base for the prior year that reflects the new or significantly expanded enrollment of the charter school LEA was maintained.

Noncompliance with section 4306(c) of the ESEA may have occurred and not be detected or corrected.

No information was maintained by NDE; therefore, testing was not able to be performed.

We recommend NDE implement internal controls to ensure appropriate documentation of compliance with section 4306(c) of the ESEA is maintained.

State's Response:

Status: Corrected.

2022-041: **U.S. Department of Education**
Education Stabilization Fund, 84.425

Level of Effort – Maintenance of Effort
Material Weakness in Internal Control over Compliance and Material Noncompliance

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Affects all grant awards included under assistance listing 84.425 on the Schedule of Expenditures of Federal Awards.

Under section 317 of the CRRSA Act, a state that receives ESSER II, GEER II, or EANS funds under CRRSA Act must:

- Maintain state support for elementary and secondary education in FY 2022 at least at the proportional level of the state's overall spending, averaged over FYs 2017, 2018, and 2019; and
- Maintain state support for higher education in FY 2022 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 2017, 2018, and 2019.

Under section 2004(a) of the ARP Act, a state that receives ARP ESSER funds must meet the above MOE requirement in each of FYs 2022 and 2023.

The CRRSA and ARP Acts have two MOE baselines:

- Elementary and secondary education baseline, which averages the percentages of total spending that are used to support elementary and secondary education over the three baseline years (FYs 2017, 2018, and 2019).
- Higher education baseline, which averages percentages of total state spending that are used to support higher education over the three baseline years (FYs 2017, 2018, and 2019). The Nevada Department of Education (NDE) did not provide supporting documentation to evidence that the State of Nevada met the level of effort requirements. In addition, there was no evidence of review and approval (segregation of duties) between the preparer and the reviewer of the level of effort calculations.

The Nevada Department of Education (NDE) did not provide supporting documentation to evidence that the State of Nevada met the level of effort requirements. In addition, there was no evidence of review and approval (segregation of duties) between the preparer and the reviewer of the level of effort calculations.

NDE did not have internal controls to ensure level of effort was tracked and supporting documents were maintained.

Level of effort requirements may not be met.

We tested all level of effort computations required to be completed in State fiscal year 2022. A summary of the deficiency is as follows:

<u>State support for elementary and secondary education</u>

- NDE reported to the federal agency that maintenance of effort was met, but was unable to provide supporting documentation to support the amounts reported.

<u>State support for higher education</u>

- Proportional level from base years: 5.4% or $1,117,028,683
- Amounts reported as appropriated: 3.0% or $626,096,643
- Deficient appropriations based on reported levels by $490,932,040

- NDE was unable to provide supporting documentation for the amounts reported to the federal agency; the above calculations were calculated on the information reported.

We recommend NDE implement internal controls to ensure level of effort is tracked and supporting documents are maintained.

State's Response: **Reason for Recurrence:** NDE was not notified of the 2022 finding until after fiscal year 2023 (FY23) had concluded. Frequent turnover, subject matter expertise, and staffing capacities specific to funding under the Education Stabilization Fund have made it difficult to address this finding.

Corrective Action: NDE shall document standards for data and reporting, to include required standards for policies and procedures and business rules, to support the development of new and/or temporary reporting requirements in alignment with all relevant internal controls. NDE shall implement internal control monitoring specific to compliance with the data and reporting standards. The Office of Division Compliance will collaborate with the Office of Assessments, Data, and Accountability Management, as well as the Office of District Support to develop these standards.

Status: Not Corrected.

2022-042: **U.S. Department of Education**
Education Stabilization Fund, 84.425

Earmarking
Material Weakness in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Affects grant awards *S425U210018* and *S425W210029* included under assistance listing 84.425 on the Schedule of Expenditures of Federal Awards.

The *OMB Compliance Supplement* provides the following requirements:

- ESSER
  - An SEA must allocate at least 90% of ESSER funds to LEAs using the statutorily prescribed formula.
- ARP ESSER
  - Under section 2001(f) of the ARP act, each SEA must reserve: (1) at least 5% of ARP ESSER funds for evidence-based interventions that address the academic impact of lost instructional time; (2) at least 1% of ARP ESSER funds for evidence-based summer enrichment programs; (3) at least 1% of ARP ESSER funds for evidence-based comprehensive after school programs.
- Allowances for Administrative Costs
  - Under section 18001(e) of the CARES act and section 313(e) of the CRRSA act, an SEA may reserve up to 0.5% of its total ESSER I and ESSER II allocations for administrative cost.

- Under Section 2001(f)(4) of the ARP Act, an SEA may reserve not more than 0.5% of the state's total ARP ESSER award for administrative costs.
- Under section 312(d)(5) of the CRRSA Act, an SEA may reserve up to 0.5% of it's total allocation or up to $200,000, whichever is greater, to administer the EANS program.

The Nevada Department of Education (NDE) did not meet the earmarking set aside for evidence-based summer enrichment programs and evidence-based after school programs. In addition, there is no evidence that compliance with the earmarking requirements (i.e., actual amounts meeting the allocations or that there could be future changes to allocated amounts) is monitored.

NDE did not have adequate internal controls to ensure earmarking requirements were initially met and to ensure on-going compliance was monitored.

Earmarking requirements were not met and may not be met in the future.

We tested all earmarking computations required to be completed in State fiscal year 2022. There was no evidence monitoring of earmarking requirements.

Under section 2001(f) of the ARP act, each SEA must reserve: (2) at least 1% of ARP ESSER funds for evidence-based summer enrichment programs; (3) at least 1% of ARP ESSER funds for evidence-based comprehensive after school programs.

- The minimum amount to allocate to evidence-based summer enrichment programs and evidence-based after school programs was $21,455,664 and the actual amount allocated was $20,040,662.

We recommend NDE enhance internal controls to ensure earmarking requirements are initially met and implement internal controls to ensure on-going compliance is monitored.

State's Response:

Reason for Recurrence: NDE was not notified of the 2022 finding until after fiscal year 2023 (FY23) had concluded; however, the majority of the corrective action has since been implemented and corrected.

Corrective Action: NDE shall develop a comprehensive Policy and Procedure (10.12 Match, Maintenance of Effort, and Earmarking) documenting the earmarking process, to include monitoring. NDE shall implement internal control monitoring specific to earmarking. The Office of Division Compliance will collaborate with offices across the agency to develop this policy.

Status:

Partially Corrected.

2022-043,
2021-038:

U.S. Department of Education
Education Stabilization Fund, 84.425

Reporting
Material Weakness in Internal Control over Compliance and Material Noncompliance

Initial Fiscal Year Finding Occurred: 2021

Finding Summary: Affects all grant awards included under assistance listing 84.425 on the Schedule of Expenditures of Federal Awards.

The *OMB Compliance Supplement* provides that State Educational Agencies submit annual reports over Governor's Emergency Education Relief (GEER), Elementary and Secondary School Emergency Relief (ESSER) Grants and Emergency Assistance to Non-Public Schools (EANS). Each report contains data on expenditures, planned expenditures, subrecipients, and use of funds, including for mandatory reservations.

Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 200.303 provides that non-federal entities must establish and maintain effective internal control that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Certain amounts included in the annual reports submitted for EANS and GEER did not agree to underlying support or underlying support for amounts reported were not maintained. In addition, there was no evidence of review and approval (segregation of duties) between the preparer and reviewer of these reports.

The Nevada Department of Education (NDE) did not have internal controls to identify required information to be reported, ensure accuracy, or maintain adequate document retention to support compliance.

Inaccurate or incomplete information was reported to the federal awarding agency or was not reported timely.

Two annual reports were required to be filed in the State Fiscal Year, GEER and EANS. The errors for the submitted reports were noted as follows:

<u>GEER 7/1/2020 through 6/31/2021 Report</u>

- The amount allocated was reported as $38,490,388, there was no underlying support for the amount reported.
- The amount expended was reported as $13,771,505, there was no underlying support for the amount reported.
- Administrative uses were reported as $0, there was no underlying support for the amount reported.
- Non-administrative uses were reported as $3,227,999, there was no underlying support for the amount reported.
- 13 of the 18 local educational agencies reported did not agree to underlying support for reportable categories.
- No underlying support was available for information reported on Institutions of Higher Education.
- No underlying support was available for information reported on Other Entities.

EANS 7/1/2020 through 6/30/2021 Report

- The amount expended was reported as $1,701,593, there was no underlying support for the amount reported
- The amount obligated (not yet expended) was reported as $12,357,444, there was no underlying support for the amount reported.
- 1 out of 22 non-public schools reported did not agree to underlying support for reportable categories.

We recommend NDE implement internal controls to identify required information to be reported, ensure accuracy, and maintain adequate document retention to support compliance.

State's Response: **Reason for Recurrence:** NDE was not notified of the 2022 finding until after fiscal year 2023 (FY23) had concluded. Frequent turnover, subject matter expertise, and staffing capacities specific to funding under the Education Stabilization Fund have made it difficult to address this finding.

Corrective Action: NDE shall document standards for data and reporting, to include required standards for policies and procedures and business rules, to support the development of new and/or temporary reporting requirements in alignment with all relevant internal controls. NDE shall implement internal control monitoring specific to compliance with the data and reporting standards. The Office of Division Compliance will collaborate with the Office of Assessments, Data, and Accountability Management, as well as the Office of District Support to develop these standards.

Status: Not Corrected.

2022-044, 2021-039: **U.S. Department of Education**
Education Stabilization Fund, 84.425

Reporting
Material Weakness in Internal Control over Compliance and Material Noncompliance

Initial Fiscal Year Finding Occurred: 2021

Finding Summary: Affects all grant awards included under assistance listing 84.425 on the Schedule of Expenditures of Federal Awards.

The Federal Funding Accountability and Transparency Act (FFATA) requires direct recipients of certain federal awards to report subaward information by the end of the month following the month in which the prime awardee obligates a subgrant award equal to $30,000.

Accurate and timely subaward information was not reported in the FFATA Subaward Reporting System (FSRS).

The Nevada Department of Education (NDE) did not have adequate internal controls to ensure subaward information was submitted in accordance with the FFATA.

Subaward obligations were not reported accurately or timely in the FSRS; therefore, public information disclosures are inaccurate.

A nonstatistical sample of 15 out of a population of 74 applicable subaward obligations was selected for testing. The quantity and subaward obligation errors were noted as follows:

	Subawards	Obligations
Total Tested	15	$10,033,829
Not Reported	-	-
Not Timely	15	$10,033,829
Obligation Incorrect	9	$671,385
Missing Key Elements	-	-

We recommend NDE enhance internal controls to ensure subaward information is submitted in accordance with the FFATA.

State's Response:

Status: Corrected.

2022-045: **U.S. Department of Education**
Education Stabilization Fund, 84.425

Subrecipient Monitoring
Material Weakness in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Affects all grant awards included under assistance listing 84.425 on the Schedule of Expenditures of Federal Awards.

Title *2 U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 200.332 requires that:

Pass-through entities ensure every subaward includes certain information at the time of the subaward.

Pass-through entities identify the dollar amount made available under each federal award and the assistance listing number at time of disbursement.

Subaward agreements did not contain all the required information and assistance listing numbers were not communicated at the time of disbursement.

The Nevada Department of Education (NDE) did not have adequate internal controls to ensure subawards and disbursements to subrecipients included all required information.

Noncompliance at the subrecipient level may occur and not be detected by NDE.

A nonstatistical sample of 13 out of a population of 65 subrecipients was selected for testing. The 13 subrecipients had a total of 28 subawards issued. Required information was missing from 14 of the 28 subawards tested. The missing information was related to: federal award date to the State by the federal agency, name of the federal awarding agency, and whether the award included research and development activities.

A nonstatistical sample of 60 out 1601 subrecipient payments was selected for testing. The assistance listing number was not communicated at the time of disbursement for 15 of the subrecipient payments.

We recommend NDE enhance internal controls to ensure subawards and disbursements to subrecipients include all required information.

State's Response:

Status: Corrected.

2022-046, 2021-041:

U.S. Department of Education
Education Stabilization Fund, 84.425

Other
Significant Deficiency in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2021

Finding Summary: Affects all grant awards included under assistance listing 84.425 on the Schedule of Expenditures of Federal Awards.

Title 2 *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) requires the State of Nevada to prepare a Schedule of Expenditures of Federal Awards (SEFA) showing both total federal expenditures and payments to subrecipients for the year.

Amounts were originally reported incorrectly on the SEFA.

The Nevada Department of Education (NDE) did not have adequate internal controls to ensure payments to subrecipients were recorded to the designated subrecipient general ledger accounts within the chart of accounts. The Controller's Office uses the chart of accounts to prepare the SEFA.

Prior to correction, the total federal expenditures passed through to subrecipients on the SEFA were overstated by $1,667,511.

No sampling was used; all program expenditures on the SEFA were reconciled to supporting records.

We recommend NDE enhance internal controls to ensure payments to subrecipients are recorded to the designated subrecipient general ledger accounts within the chart of accounts.

State's Response:

Status: Corrected.

2022-047: **U.S. Department of Health and Human Services**
Low-Income Home Energy Assistance, 93.568

Cash Management
Significant Deficiency in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Affects all grant awards included under assistance listing 93.568 on the Schedule of Expenditures of Federal Awards.

Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 200.303 provides that non-federal entities must establish and maintain effective internal control that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

A reimbursement request was not reviewed and approved by an individual independent of the preparation of the request.

The Nevada Division of Welfare and Supportive Services (DWSS) did not have adequate internal controls to ensure all reimbursement requests were reviewed and approved in accordance with the Division's internal control policy.

Inaccurate reimbursement requests may occur and not detected by DWSS timely.

A nonstatistical sample of 14 reimbursement requests out of a population of 68 was selected for testing. One reimbursement request did not have the evidence of review and approval in accordance with DWSS's internal control policy.

We recommend DWSS enhance internal controls to ensure all reimbursement requests are reviewed and approved in accordance with the Division's internal control policy.

State's Response: Corrected retroactively back to July 1, 2023.

Reason for recurrence: This is not applicable because a recurrence has not occurred; however, because this audit finding wasn't presented to the division until December 2023, updates to internal controls and staff training were retroactive for the open fiscal year 2024, beginning July 1, 2023.

New corrective action: No new corrective action is needed, the current updates and procedures implemented July 1, 2023, are sufficient.

Partial corrective action taken: No partial corrective action was taken prior to June 30, 2023, because the finding was not presented to the division until December 2023.

Explain significant differences in corrective action from prior year, if applicable: No corrective action was in place prior to July 1, 2023, per the reasons stated above.

Status: Not Corrected.

2022-048, 2021-047:

U.S. Department of Health and Human Services
Low-Income Home Energy Assistance, 93.568

Eligibility
Material Weakness in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2021

Finding Summary: Affects all grant awards included under assistance listing 93.568 on the Schedule of Expenditures of Federal Awards.

Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 200.303 provides that non-federal entities must establish and maintain effective internal control that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

The *Low-Income Home Energy Assistance State Plan* (State Plan) provides for internal controls related to beneficiary case reviews, in part, as follows:

Supervisors are required to complete a set number of case reviews per worker per month to monitor staff performance. Trainees and staff with performance issues are subject to 100% review prior to the posting of benefits. The Program Manager reviews a subset of the review completed by the supervisors to ensure they are adequately identifying and addressing performance issues.

Supervisor case reviews were not performed in accordance with the State Plan.

The Nevada Division of Welfare and Supportive Services (DWSS) did not have adequate internal controls to ensure beneficiary case review policies were followed due to supervisory retirements in which the positions were not refilled in a timely manner.

Inaccurate eligibility or benefit determinations may be established and not detected by DWSS.

We examined a listing of beneficiary case reviews performed for the entire year. A total of 20 non trainee reviews were performed out of approximately 396, and only two months out of the year were performed for trainee reviews that were required to be performed in accordance with the State Plan.

We recommend DWSS enhance internal controls to ensure beneficiary case review policies are followed.

State's Response: Corrected. During the review period there were vacancies in both supervisory positions in the Energy Assistance Program. The Division filled these positions during the review period. The supervisory case reviews began for July 2022 cases. In addition, the LIHEAP State Plan has been amended to allow additional staff members to review case work for new staff. The changes were approved at the June 29, 2023, Public Hearing. These changes have been included in the FFY 2024 LIHEAP State Plan to address staff shortages if they arise again.

Status: Corrected.

2022-049,
2021-046: **U.S. Department of Health and Human Services**
Low-Income Home Energy Assistance, 93.568

Eligibility
Significant Deficiency in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2021

Finding Summary: Affects all grant awards included under assistance listing 93.568 on the Schedule of Expenditures of Federal Awards.

As provided by 42 USC 8624(b)(2), assistance may be provided to:

- Households in which one or more individuals are receiving Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), Supplemental Nutrition Assistance Program (SNAP) benefits, or certain needs-tested veterans' benefits or;
- Households with incomes which do not exceed the greater of 150% of the State's established poverty level, or 60% of the State's median income. Lower income eligibility criteria may be established, but no household may be excluded solely on the basis of income if the household income is less than 110% of the State's poverty level.

The *Low-Income Home Energy Assistance State Plan* (State Plan) establishes and describes assistance benefit levels, which provides for the calculation of a Fixed Annual Credit (FAC) and ultimately, the amount of assistance provided.

The amount of assistance to provide was not calculated correctly as it related to social security cost-of-living increases.

The Nevada Division of Welfare and Supportive Services (DWSS) did not have adequate internal controls to ensure the social security cost of living increases were appropriately adjusted in recipients' income calculation.

The recipient was entitled to more assistance than calculated.

A nonstatistical sample of 60 recipients out of a population of approximately 18,865 was selected for testing. We noted an error in the amount of income used in the calculation of benefits for two recipients. The sample totaled $53,854 in benefits paid and the error was $11.85.

We recommend DWSS enhance internal controls to ensure the social security cost of living increases are appropriately adjusted in the recipients' income calculation.

State's Response: **Status of Corrective Action:** Corrected retroactively back to July 1, 2023.

Reason for recurrence, if applicable: This is not applicable because a recurrence has not occurred.

New corrective action: No new corrective action is needed, the current updates and procedures implemented July 1, 2023, are sufficient.

Partial corrective action taken: No partial corrective action was taken prior to June 30, 2023, because the finding was not presented to the division until December 2023.

Explain significant differences in corrective action from prior year, if applicable: No corrective action was in place prior to July 1, 2023, per the reasons stated above.

Status: Not Corrected.

2022-050,
2021-048:

U.S. Department of Health and Human Services
Low-Income Home Energy Assistance, 93.568

Reporting
Material Weakness in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2021

Finding Summary: Affects grant award *2101NVLIEA* on the Schedule of Expenditures of Federal Awards.

The *OMB Compliance Supplement* requires that reports submitted to the federal awarding agency include all activity of the reporting period, are supported by underlying accounting information, and are presented in accordance with program requirements.

The Nevada Division of Welfare and Supportive Services (DWSS) is required to submit the LIHEAP Carryover and Reallotment Report each year, which indicates the amount expected to be carried forward for obligation in the following fiscal year and the planned use of those funds.

The projected unobligated balance (carryover amount) did not agree to the underlying actual unobligated balance and there was no underlying documentation or support to support the variance.

DWSS did not have adequate internal controls to ensure the unobligated balance was adequately documented and supported.

Inaccurate information may have been reported to the federal awarding agency.

The one annual report submitted during the audit period was selected for testing. The projected regular block grant carryover amount was reported as $0 on January 12, 2022. The underlying account records supported a carryover amount of $298,004 as of September 30, 2021. There was no documentation available to explain why the projected balance was different from the actual balance when the projected balance was reported at a later date.

We recommend DWSS enhance internal controls to ensure the projected unobligated balance is adequately documented and supported.

State's Response: Corrected retroactively effective August 14, 2023.

Reason for recurrence: Due to multiple and consistent staff vacancies, the written procedure for the reporting of Carryover Funds was delayed. The updated procedures for the LIHEA Carryover Funds reporting were completed in August 2023 in response to prior finding 2021-048.

New corrective action: No new corrective action is needed, the current updates and procedures implemented 08/14/2023 are sufficient to correct both findings, 2021-048 & 2022-050 and any going forward.

Partial corrective action taken: No partial corrective action was taken prior to August 14, 2023, due to extreme staff turnover.

Explain significant differences in corrective action from prior year, if applicable: No corrective action was in place prior to August 14, 2023, per the reasons stated above.

Status: Not Corrected.

2022-051,
2021-050: **U.S. Department of Health and Human Services**
Low-Income Home Energy Assistance, 93.568

Reporting
Material Weakness in Internal Control over Compliance and Material Noncompliance

Initial Fiscal Year Finding Occurred: 2021

Finding Summary: Affects all grant awards included under assistance listing 93.568 on the Schedule of Expenditures of Federal Awards.

The Federal Funding Accountability and Transparency Act (FFATA) requires direct recipients of certain federal awards to report subaward information by the end of the month following the month in which the prime awardee obligates a subgrant award equal to $30,000.

Required subaward information was not reported in the FFATA Subaward Reporting System (FSRS).

The Nevada Housing Division (NHD) did not have internal controls to ensure subaward information was submitted in accordance with the FFATA.

Subaward obligations were not reported in the FSRS and therefore not included on the FFATA's website for public information disclosure.

We tested the entire population of 4 subawards obligated during the year. The quantity and subaward obligation errors were noted as follows:

	Subawards	Obligations
Total Tested	4	$798,055
Not Reported	4	$798,055
Not Timely	4	$798,055
Obligation Incorrect	4	$798,055
Missing Key Elements	4	$798,055

We recommend NHD implement internal controls to ensure subaward information is submitted in accordance with the FFATA.

State's Response: The Division established an internal audit and compliance committee to enhance oversight of existing policies for assessing risk, monitoring, and sharing best practices across its business in January of 2024. The internal audit and compliance committee is responsible for reviewing internal controls and policies on an annual basis, following up on any audit findings and ensuring follow-through of corrective action plans. Finally, the Division received legislative approval for an Auditor 3 position that will commence in October 2025 to support fiscal and overall grant compliance.

Adoption of Corrective Action: January 2024

Status: Partially corrected.

2022-052, 2021-051: **U.S. Department of Health and Human Services**
Low-Income Home Energy Assistance, 93.568

Subrecipient Monitoring
Material Weakness in Internal Control over Compliance and Material Noncompliance

Initial Fiscal Year Finding Occurred: 2021

Finding Summary: Affects all grant awards included under assistance listing 93.568 on the Schedule of Expenditures of Federal Awards.

Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 200.332 requires that:

Pass-through entities ensure every subaward includes certain information at the time of the subaward.

Pass-through entities evaluate each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring.

Pass-through entities verify every subrecipient is audited as required by Uniform Guidance, issue management decisions for audit findings, as applicable, and ensure the subrecipient takes timely corrective action on all audit findings, as applicable.

Subawards did not contain all the required information, an evaluation of each subrecipient's risk of noncompliance for purposes of determining the appropriate subrecipient monitoring was not performed, and subrecipients were not monitored to ensure audits required by Uniform Guidance were performed.

The Nevada Housing Division (NHD) did not have internal controls to ensure compliance with subrecipient monitoring requirements.

Noncompliance at the subrecipient level may occur and not be detected by the Division.

A nonstatistical sample of two subrecipients out of a population of four was selected for testing. A risk assessment was not performed and the subawards were missing required information for both subrecipients. In addition, there was no documentation available to demonstrate that the two subrecipients were monitored to ensure Uniform Guidance audits were obtained, if required, or that management decisions were issued, if applicable.

We recommend the NHD implement internal controls to ensure compliance with subrecipient monitoring requirements.

State's Response:

Status: Corrected.

2022-053: **U.S. Department of Health and Human Services**
CCDF Cluster:
Child Care and Development Block Grant, 93.575
Child Care Mandatory and Matching Funds of the Child Care and Development Fund, 93.596

Reporting
Material Weakness in Internal Control over Compliance and Material Noncompliance

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Affects all grant awards included under assistance listing 93.575 and 93.596 on the Schedule of Expenditures of Federal Awards.

The OMB Compliance Supplement requires that reports submitted to the federal awarding agency include all activity of the reporting period, are supported by underlying accounting information or performance records, and are fairly presented in accordance with governing requirements. State agencies must submit the *ACF-696, Child Care and Development Fund Financial Reports* quarterly.

The Division of Welfare and Support Services (DWSS) did not maintain underlying documentation to support the amounts reported in the ACF-696 reports.

DWSS did not have internal controls to ensure the amounts reported were adequately documented and supported.

Inaccurate information may have been reported to the federal awarding agency.

A nonstatistical sample of two quarterly reports out of a population of four submitted during the audit period were selected for testing. Reconciliations or other records of the underlying accounting system to the amounts reported were not retained by the Division for both reports selected for testing. Therefore, we were unable to test the accuracy of the amounts reported in the ACFR-696 reports for the quarters ended September 30, 2021 and March 31, 2022.

We recommend DWSS implement internal controls to ensure the amounts reported are adequately documented and supported.

State's Response: Corrected retroactively back to July 1, 2023.

Reason for recurrence: This is not applicable because a recurrence has not occurred; however, because this audit finding wasn't presented to the division until December 2023, updates to internal controls and staff training were retroactive for the current open fiscal year only, beginning July 1, 2023.

New corrective action: No new corrective action is needed, the current updates and procedures implemented July 1, 2023, are sufficient.

Partial corrective action taken: No partial corrective action was taken prior to June 30, 2023, because the finding was not presented to the division until December 2023.

Explain significant differences in corrective action from prior year, if applicable:: No corrective action was in place prior to July 1, 2023, per the reasons stated above.

Status: Not Corrected.

2022-054: **U.S. Department of Health and Human Services**
CCDF Cluster:
Child Care and Development Block Grant, 93.575
Child Care Mandatory and Matching Funds of the Child Care and Development Fund, 93.596

Reporting
Material Weakness in Internal Control over Compliance and Material Noncompliance

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Affects all grant awards included under assistance listing 93.575 and 93.596 on the Schedule of Expenditures of Federal Awards.

The Federal Funding Accountability and Transparency Act (FFATA) requires direct recipients of certain federal awards to report subaward information by the end of the month following the month in which the prime awardee obligates a subgrant award equal to $30,000.

Required subaward information was not reported in the FFATA Subaward Reporting System (FSRS).

The Division of Welfare Support Services (DWSS) did not have internal controls to ensure subaward information was submitted in accordance with the FFATA.

Subaward obligations were not reported in the FSRS and therefore not included on the FFATA's website for public information disclosure.

A nonstatistical sample of three subawards obligated during the year out of a population of eight was selected for testing. The quantity and subaward obligation errors were noted as follows:

	Subawards	Obligations
Total Tested	3	$52,564,220
Not Reported	3	$52,564,220
Not Timely	3	$52,564,220
Obligation Incorrect	3	$52,564,220
Missing Key Elements	3	$52,564,220

We recommend DWSS implement internal controls to ensure subaward information is submitted in accordance with the FFATA.

State's Response:

Status of Corrective Action: Corrective action has been fully implemented. All required FFATA reports have been brought current and submitted in SAM.gov. DSS has incorporated this reporting requirement into its internal control framework, with designated staff responsible for timely monthly submission, documentation, and verification. An internal review process is in place to ensure ongoing compliance with FFATA reporting requirements.

Reason for recurrence, if applicable: Staff vacancies and turnover within fiscal services during the audit period resulted in gaps in responsibility and oversight for FFATA reporting. As a result, the required subaward information was not submitted timely in FSRS until designated staff were reassigned and internal controls established.

New corrective action: This requirement has been incorporated into DSS internal controls to ensure subaward reporting is completed timely and in compliance with FFATA. Designated staff are responsible for monthly submission, documentation, and verification, with internal review procedures in place to confirm accuracy and completeness. All reports were brought current last month, and ongoing reporting is now embedded in standard operating procedures to maintain compliance.

Partial corrective action taken: No partial corrective action was in place during the audit period. Corrective action has since been fully implemented, with designated staff assigned and internal controls established to ensure timely FFATA reporting.

Explain significant differences in corrective action from prior year, if applicable: In the prior year, no corrective action was implemented due to staffing vacancies and because the finding was not presented to the Division until December 2023. For the current year, DSS has established formal internal controls, assigned designated staff, and implemented monthly submission and review procedures to ensure compliance with FFATA reporting requirements.

Status: Partially corrected.

2022-055, 2021-052:

U.S. Department of Health and Human Services
CCDF Cluster:
Child Care and Development Block Grant, 93.575
Child Care Mandatory and Matching Funds of the Child Care and Development Fund, 93.596

Subrecipient Monitoring
Material Weakness in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2021

Finding Summary: Affects all grant awards included under assistance listing 93.575 and 93.596 on the Schedule of Expenditures of Federal Awards.

Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 200.332 requires that:

Pass-through entities ensure every subaward includes certain information at the time of the subaward.

Pass-through entities evaluate each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring.

Subawards did not contain all the required information, an evaluation of each subrecipient's risk of noncompliance for purposes of determining the appropriate subrecipient monitoring was not performed.

The Division of Welfare and Supportive Services (DWSS) did not have adequate internal controls to ensure risk assessments were performed and subawards contained all required items.

Noncompliance at the subrecipient level may occur and not be detected by the Division.

A nonstatistical sample of three subrecipients out of a population of eight was selected for testing. A risk assessment was not performed for one subrecipient and two subawards were missing communication of whether any research and development activities were included.

We recommend DWSS enhance internal controls to ensure risk assessments are performed and subawards contain all required items.

State's Response: DWSS and the Childcare Development and Assistance Program have contracted with My Office Staff as of July 2020 to conduct subrecipient monitoring for the program. Monitors have been completed on schedule as of June 30, 2023. The DWSS Audit team reviewed and updated the Risk Assessment process and began consistently conducting them starting June 1, 2023.

Status: Corrected.

2022-056, 2021-054, 2020-027, 2019-034, 2018-038:

U.S. Department of Health and Human Services
Foster Care - Title IV-E, 93.658

Allowable Costs/Cost Principles
Significant Deficiency in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2018

Finding Summary: Affects all grant awards included under assistance listing 93.658 on the Schedule of Expenditures of Federal Awards.

Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) provides that a State must claim federal financial participation for costs associated with a program only in accordance with its approved cost allocation plan. Since cost allocation plans are of a narrative nature, the Federal government needs assurance that the cost allocation plan has been implemented as approved.

Allocation methods used in cost allocation did not agree to the approved cost allocation plan and allocation statistics did not agree to underlying support.

The Nevada Division of Child and Family Services (DCFS) did not have adequate internal controls to ensure costs were allocated accurately and in accordance with the cost allocation plan.

Costs may be charged to the federal programs that do not agree to the cost allocation plan.

Questioned Costs: None as known and projected costs are less than $25,000.

A nonstatistical sample of two out of four quarters was selected for testing. One allocation method did not agree to the submitted cost allocation plan for the March 31, 2022. In addition, one allocation statistic included an error that impacted the allocation percentages by 0.32% for one allocation method in the March 31, 2022 cost allocation.

We recommend DCFS enhance internal controls to ensure costs are allocated accurately and in accordance with the cost allocation plan.

State's Response: Quarterly Cost Allocation internal controls will be reviewed and updated to ensure costs are allocated accurately and in accordance with the cost allocation plan.

Staff will be trained on the revised internal controls to best assist in identifying any inaccuracies within both the cost allocation plan narrative and software system. Internal audits will be performed periodically to ensure staff are following the revised internal controls.

Revisions of internal controls and staff training will be completed by 3/31/26.

Status: Not Corrected.

2022-057,
2021-055: **U.S. Department of Health and Human Services**
Foster Care - Title IV-E, 93.658

Reporting
Material Weakness in Internal Control over Compliance and Material Noncompliance

Initial Fiscal Year Finding Occurred: 2021

Finding Summary: Affects all grant awards included under assistance listing 93.658 on the Schedule of Expenditures of Federal Awards.

The Federal Funding Accountability and Transparency Act (FFATA) requires direct recipients of certain federal awards to report subaward information by the end of the month following the month in which the prime awardee obligates a subgrant award equal to $30,000.

Required subaward information was not reported in the FFATA Subaward Reporting System (FSRS).

The Nevada Division of Child and Family Services (DCFS) did not have internal controls to ensure subaward information was submitted in accordance with the FFATA.

Subaward obligations were not reported in the FSRS and therefore not included on the FFATA's website for public information disclosure.

We tested the entire population of two subawards obligated during the year.

The quantity and subaward obligation errors were noted as follows:

	Subawards	Obligations
Total Tested	2	$39,341,910
Not Reported	2	$39,341,910
Not Timely	2	$39,341,910
Obligation Incorrect	2	$39,341,910
Missing Key Elements	2	$39,341,910

We recommend DCFS implement internal controls to ensure subaward information is submitted in accordance with the FFATA.

State's Response: Internal controls have been reviewed and updated to ensure subaward information is submitted in accordance with the FFATA.

Internal control updated in SFY23.

Status: Not Corrected.

2022-058: **U.S. Department of Health and Human Services**
Foster Care - Title IV-E, 93.658

Subrecipient Monitoring
Significant Deficiency in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Affects all grant awards included under assistance listing 93.658 on the Schedule of Expenditures of Federal Awards.

Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 200.332 requires that pass-through entities ensure that every subaward includes certain information at the time of the subaward and that the award's assistance listing number is identified to the subrecipient at the time of disbursement.

The assistance listing number was not identified at the time of disbursement.

The Division of Child and Family Services (DCFS) did not have adequate internal controls to ensure the assistance listing number was communicated on each disbursement to a subrecipient.

Noncompliance at the subrecipient level may occur and not be detected by DCFS.

A nonstatistical sample of four subrecipient payments out of a population of 31 was selected for testing. The assistance listing number was not communicated on one payment.

We recommend DCFS enhance internal controls to ensure the assistance listing number is communicated on each disbursement to a subrecipient.

State's Response: Corrective Action for previous year finding 2022-058 was completed in April 2024 with subaward policy revision and staff training of policy revision. An internal audit of assistance listing numbers (ALNs) on subrecipient disbursements in December 2025 verified that ALNs are included on disbursements.

April 2024 (FY24)

Status: Not corrected.

2022-059, 2021-056, 2020-030: **U.S. Department of Health and Human Services**
Children's Health Insurance Program (CHIP), 93.767

Eligibility
Material Weakness in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2020

Finding Summary: Affects all grant awards included under assistance listing 93.767 on the Schedule of Expenditures of Federal Awards.

States are required to determine eligibility in accordance with the eligibility requirements defined in the approved State plan (42 CFR 457). The State plan describes certain aid categories, including the eligibility criteria and potential benefits allowed under the aid categories for eligible individuals.

Individuals were deemed eligible but were placed in an incorrect aid category or did not have supporting documentation available for review.

The Nevada Division of Welfare and Supportive Services (DWSS) did not have adequate internal controls to ensure aid categories were accurate or applications for CHIP were maintained.

Individuals may receive benefits that they are not entitled to or not receive benefits for which they are entitled to.

A nonstatistical sample of 60 out of a population of 32,789 eligible participants was selected for testing. One individual had the incorrect aid code classified and two individuals did not have applications available for review.

We recommend DWSS enhance internal controls to ensure that aid categories are accurate and applications for CHIP are maintained.

State's Response: **Status of Corrective Action:** Corrected retroactively back to July 1, 2023

Reason for recurrence, if applicable: This is not applicable because a recurrence has not occurred.

New corrective action: No new corrective action is needed, the current updates and procedures implemented July 1, 2023, are sufficient.

Partial corrective action taken: No partial corrective action was taken prior to June 30, 2023, because the finding was not presented to the division until December 2023.

Explain significant differences in corrective action from prior year, if applicable: No corrective action was in place prior to July 1, 2023, per the reasons stated above.

Status: Not Corrected.

2022-060, 2021-057, 2020-031, 2019-038, 2018-044, 2017-034: **U.S. Department of Health and Human Services**
Children's Health Insurance Program (CHIP), 93.767

Reporting
Significant Deficiency in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2017

Finding Summary: Affects all grant awards included under assistance listing 93.767 on the Schedule of Expenditures of Federal Awards.

The *OMB Compliance Supplement* requires that reports submitted to the federal awarding agency include all activity of the reporting period, are supported by underlying accounting information, and are presented in accordance with program requirements.

The Nevada Division of Health Care Financing and Policy (DHCFP) is required to submit *Quarterly Children's Health Insurance Program Statement Expenditures for Title XXI* (CMS-21) reports based on actual recorded expenditures (Sections 2105(e) and 2107(b)(1) of Title XXI).

Amounts reported on the CMS-21 were not supported by the underlying accounting information.

DHCFP did not have adequate internal controls to ensure CMS-21 reports were accurate.

Inaccurate information was reported to the federal awarding agency.

A nonstatistical sample of two CMS-21 reports out of a population of four was selected for testing. DHCFP was unable to provide support for one variance identified.

The December 31, 2021 CMS-21 report had the following unreconciled variance (Total Computable Column).

- Lines 1B/1D: $253 (less reported than general ledger support)

We recommend DHCFP enhance internal controls to ensure CMS-21 reports are accurate.

State's Response:

Status: Corrected.

2022-061: **U.S. Department of Health and Human Services**
Children's Health Insurance Program (CHIP), 93.767
Medicaid Cluster:
State Medicaid Fraud Control Units, 93.775
State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare, 93.777
Medical Assistance Program (Medicaid; Title XIX), 93.778

Eligibility
Material Weakness in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Affects all grant awards included under assistance listing 93.767 and 93.778 on the Schedule of Expenditures of Federal Awards.

Title 42 *Public Health* section 435.403 *State Residence* provides that the State must provide Medicaid to eligible residents of the State, including residents who are absent from the State, except in cases where another state has determined that the person is a resident there for purposes of Medicaid.

The Medicaid State Plan provides that the State has an eligibility determination system for data matching through the Public Assistance Reporting Information System (PARIS). The information that is requested is to be exchanged with states and other entities legally entitled to verify Title XIX applications and individuals eligible for covered Title XIX services consistent with applicable PARIS agreements. The State will transmit and receive data quarterly (February, May, August, and November).

The State enrolls beneficiaries on a mandatory basis into managed care entities (managed care organizations and/or primary care case managers) in the absence of certain allowable waivers. The State contracts with managed care organizations and reimburses them for capitation payments.

PARIS data was not utilized by the Division of Health Care Financing and Policy (DHCFP) or the Division of Welfare and Supportive Services (DWSS) to monitor residency changes to determine when managed care benefits needed to be terminated because the beneficiary was a resident of another state for Medicaid purposes.

DHCFP and DWSS did not have internal controls in place to effectively communicate the PARIS data between the two agencies to ensure managed care benefits were terminated when appropriate.

Individuals are enrolled in Medicaid (and CHIP) plans in multiple states and benefits are not being terminated timely. Therefore, the State of Nevada is paying capitation payments to managed care organizations, when the benefits should have been terminated.

Projected questioned costs are $12,743,890 for Medicaid and $186,062 for CHIP.

No sampling was used. The PARIS data was obtained and examined in total. The PARIS data included 56,892 participants with dual enrollment. Of those 56,892 participants, 9,722 participants were enrolled in another state after the State of Nevada. The projected questioned costs were estimated by performing the following:

- Identifying individuals who enrolled in another state after they had enrolled in Nevada (termination date for Nevada).
- Estimating a weighted average capitation payment based on demographics that determine the payment amount.
- Applying the weighted average capitation payments from the termination date through June 30, 2022 to determine the total projected questioned costs.
- The total projected questioned costs were then allocated between Medicaid and CHIP using participant counts in each plan between the ages of 0-18. Participants older than 18 were allocated to Medicaid. The allocated projected questioned costs were then multiplied by a weighted average Federal Medical Assistance Percentage (FMAP) to determine the final projected federal questioned costs.

We recommend DHCFP and DWSS implement internal controls to effectively communicate the PARIS data between each other and to ensure managed care benefits are terminated when appropriate.

State's Response:

DHCFP response:
The Division of Social Services (DSS) is in the process of automating the PARIS process. The automation is designed to streamline the quarterly PARIS process. Upon receipt of the file, the system generates initial requests for information to customers identified, requiring them to confirm Nevada residency. Customers are allowed 30 days to respond. Approximately five days after the initial request, reminder notices are issued by text message and email to customers who have not

responded. Customers who fail to respond within the 30-day timeframe, or who confirm an out-of-state address, will be terminated in accordance with policy, while those confirming Nevada residency will retain eligibility.

We estimate this corrective action will be implemented in September 2025

DWSS response:
Status of Corrective Action: DSS has reinforced internal controls to ensure applications are correctly indexed, date-stamped, and fully accessible in DIS with documented supervisory review. The Division has also automated the processing of PARIS files to ensure quarterly residency verification is completed. Participants identified as non-responding or residing out of state are now subject to timely termination. These controls have been implemented and will be applied consistently going forward to maintain compliance.

Reason for recurrence, if applicable: The finding recurred due to staffing vacancies and the absence of a fully developed process between DSS and DHCFP for timely review and action on PARIS residency data. As a result, residency changes identified through PARIS were not consistently communicated or acted upon until corrective procedures were formalized.

New corrective action: DSS has reinforced internal controls to ensure applications are correctly indexed, date-stamped, and fully accessible in DIS with documented supervisory review. The Division has also implemented automation of the PARIS file to ensure quarterly residency verification is completed, with non-responding or out-of-state participants terminated. These controls are now in place and will be applied consistently going forward.

Partial corrective action taken: Prior to June 30, 2023, limited corrective measures were in place, including preliminary staff discussions and initial coordination between DSS and DHCFP regarding PARIS data. However, these actions were not sufficient to resolve the finding.

Explain significant differences in corrective action from prior year, if applicable: In the prior year, corrective action was limited to preliminary coordination efforts between DSS and DHCFP and did not establish a sustainable process for using PARIS data. In the current year, corrective action has been expanded to include automation of the PARIS file, reinforced internal controls over application processing, and formalized procedures to ensure quarterly residency verification and timely termination of non-responding or out-of-state participants.

Status: DHCFP response: Partially corrected. DWSS response: Partially corrected.

2022-062, 2021-061, 2020-033:

U.S. Department of Health and Human Services
Medicaid Cluster:
State Medicaid Fraud Control Units, 93.775
State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare, 93.777
Medical Assistance Program (Medicaid; Title XIX), 93.778

Reporting
Material Weakness in Internal Control over Compliance and Material Noncompliance

Initial Fiscal Year Finding Occurred: 2020

Finding Summary: Affects all grant awards included under assistance listing 93.778 on the Schedule of Expenditures of Federal Awards.

The *OMB Compliance Supplement* requires that reports submitted to the federal awarding agency include all activity of the reporting period, are supported by underlying accounting information, and are presented in accordance with program requirements.

The Nevada Division of Health Care Financing and Policy (DHCFP) is required to submit *Quarterly Medicaid Statement of Expenditures for the Medical Assistance Program* (CMS-64) reports based on actual recorded expenditures (42 CFR 430.30).

Amounts reported on the CMS-64 were not supported by the underlying accounting information.

DHCFP did not have adequate internal controls to ensure CMS-64 reports were accurate or supporting documentation for reconciling items was maintained.

Inaccurate information may be reported to the federal awarding agency.

A nonstatistical sample of two CMS-64 reports out of a population of four was selected for testing. DHCFP has manual adjustments to key line items within the CMS-64 from the general ledger. DHCFP did not maintain a record of any of the manual adjustments and we were unable to verify whether the manual adjustment was appropriate. In total, there were $91,007,519 in manual adjustments in the December 31, 2021 CMS-64 report and $121,971,786 in the March 31, 2022 CMS-64 report that we were unable to verify.

We recommend DHCFP enhance internal controls to ensure CMS-64 reports are accurate and supporting documentation is maintained.

State's Response: The Division has enhanced its internal controls to ensure the accuracy of CMS-64 reports and the proper maintenance of supporting documentation. The following measures have been implemented:

1. System of Record – DAWN:
   The state's accounting system, DAWN, continues to serve as the Division's official system of record for compiling CMS-64 reports.
2. Reduction of Manual Adjustments:
   The Budget Unit and Federal Reporting Units are proactively working to reduce the number of manual adjustments by creating journal vouchers (JVs) to account for transactions that would otherwise be processed manually.
3. Documentation of Manual Transactions:
   For manual transactions that cannot be incorporated into DAWN, the Federal Reporting Unit has added explanatory notes in the backup workpapers.

4. Reporting Requirements for Certain Service Costs:
   Currently, several service costs are commingled within MMIS. To address this, the Division performs data downloads from MMIS to separate and identify these costs appropriately for CMS-64 reporting. The Federal Reporting Unit will ensure these MMIS reports are maintained to provide transparency and traceability.
5. Collaboration with Fiscal Agent:
   The Division is actively collaborating with its Fiscal Agent, Gainwell, to improve CMS-64 reporting. This includes the development of new "fiscal strings" designed to capture and isolate specific costs that must be reported separately. These efforts aim to enhance transparency and accuracy in federal reporting.

   These improvements reflect the Division's commitment to strengthening financial reporting processes, ensuring compliance with federal requirements, and maintaining robust documentation standards.

Anticipated Completion Date of Corrective Action Plan: September 2025

Status: Partially corrected.

2022-063: **U.S. Department of Health and Human Services**
Opioid STR, 93.788

Earmarking
Significant Deficiency in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Affects all grant awards included under assistance listing 93.788 on the Schedule of Expenditures of Federal Awards.

Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 200.303 provides that non-federal entities must establish and maintain effective internal control that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

The grant agreements provide that no more than five percent of the total grant award may be used for administrative and infrastructure development costs. In addition, no more than two percent of the total grant award may be used for data collection and reporting.

The Nevada Division of Public and Behavioral Health (DPBH) did not have evidence of monitoring administrative, infrastructure development, data collection, and reporting costs to ensure they did not exceed the maximum allowable.

DPBH did not have internal controls to provide for the monitoring of earmarking requirements.

Costs may be expended above the maximum allowable.

No sampling was performed; earmarking requirements were tested in total. DPBH did not exceed the maximum allowable spending; however, there was no evidence that the earmarking requirement was actively monitored.

We recommend DPBH implement internal controls to provide for the monitoring of earmarking requirements.

State's Response: As of December 2023, The Bureau of Behavioral Health, Wellness, and Prevention (BBHWP) developed a tracking tool in the federal grant reconciliation to monitor BBHWP and the sub-recipients Administration Costs and Reporting Costs that is gathered from BBHWP expenses and monthly Requests for Reimbursements from sub-recipients. Data collection is requested from the Sub-Recipients on a quarterly basis to ensure that the data costs do not exceed the maximum allowable by the grant. Single audit findings were not provided to agency prior to early December 2023.

Status: Corrected.

2022-064: **U.S. Department of Health and Human Services**
Opioid STR, 93.788

Procurement, Suspension, and Debarment
Material Weakness in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Affects all grant awards included under assistance listing 93.788 on the Schedule of Expenditures of Federal Awards.

Title *2 U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) requires contracts contain the applicable provisions described in Appendix II to Part 200 for contracts under federal awards.

Non-Federal entities are prohibited from contracting with parties that are suspended or debarred under covered transactions.

Certain applicable provisions described in Appendix II to Part 200 were not included in contracts as required. Procedures were not followed to verify if an entity was suspended or debarred before entering into a covered transaction.

The Nevada Division of Public and Behavioral Health (DPBH) did not have adequate internal controls to ensure contracts under federal awards contained all of the applicable provisions or to ensure procedures were followed to verify an entity was not suspended or debarred prior to entering into a covered transaction.

Contractors may not be aware of required terms and conditions. A covered transaction may be entered into with an entity that is suspended or debarred.

A nonstatistical sample of 60 procurement transactions out of a population of 263 was selected for testing, including 11 contracts subject to Appendix II to Part 200. Eight vendor contracts selected did not contained the applicable provisions required by Appendix II to Part 200 and of those eight, seven were missing procedures to verify the vendor was not suspended or debarred.

We recommend DPBH enhance internal controls to ensure all contracts under federal awards contain the applicable contract provisions and to ensure procedures are followed to verify an entity was not suspended or debarred prior to entering into a covered transaction.

State's Response: New corrective action:
The Division has requested the standard templates for all contracts, including statewide contracts, be updated to include applicable provisions by the State Purchasing Division. As of February 27,2024, this request has not been approved. The Division of Public and Behavioral Health will continue to request that the State Purchasing Division include the required federal provisions for Appendix II to Part 200 specific to Suspension/Debarment, Anti-Lobbying, Federal Water Pollution and Clean Air/Clean Water Act in all statewide contract templates.

Partial corrective action taken:
As of January 2024, Division Administration Contract Unit has reviewed procedures and processes in place ensuring the suspension and disbarment report is being completed per internal procedures. The division has also ensured there is backup support in the case of staff vacancies.

The Division has requested the standard templates for all contracts, including statewide contracts, be updated to include applicable provisions by the State Purchasing Division.

Status: Partially corrected.

2022-065: **U.S. Department of Health and Human Services**
Opioid STR, 93.788

Reporting
Material Weakness in Internal Control over Compliance and Material Noncompliance

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Affects all grant awards included under assistance listing 93.788 on the Schedule of Expenditures of Federal Awards.

Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 200.303 provides that non-federal entities must establish and maintain effective internal control that provides reasonable

assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

The grant agreements require that award recipients submit an annual and a mid-year *Performance Progress Report* (PPR).

The Nevada Division of Public and Behavioral Health (DPBH) did not maintain underlying documentation to support the amounts reported in annual and mid-year PPRs.

DPBH did not have internal controls to maintain adequate document retention to support compliance with the reporting requirements.

Inaccurate information may have been reported to the federal awarding agency.

The annual performance report and the mid-year performance report submitted during the audit period were selected for testing. Support was not maintained to reconcile or verify the accuracy of the amounts reported to the federal awarding agency for either report.

We recommend DPBH implement internal controls to maintain adequate document retention to support compliance with the reporting requirements.

State's Response: As of December 2023, The Bureau of Behavioral Health, Wellness, and Prevention (BBHWP) developed a document retention system to ensure subgrantee grant reports and supporting documentation is saved and is easily accessible for each award period. This new system will remove unnecessary barriers for accessing reports moving forward. Single audit findings were not provided to agency prior to early December 2023.

Status: Not Corrected.

2021-007: **Highway Fund – Inventory Balance**
Material Weakness

Initial Fiscal Year Finding Occurred: 2021

Finding Summary: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Proper recording of inventory is a key component of effective internal control over financial reporting.

Physical inventory counts are performed during the months of April through June each year; however, inventory reports used to record the inventory balance stockpile by locations throughout the State of Nevada did not agree to the balance recorded by the Nevada Department of Transportation (NDOT). In addition, during our audit procedures the invoices provided to support inventory pricing significantly varied from the unit prices used in the inventory balance. Unit prices could not be verified for stockpile related items.

The State of Nevada Department of Transportation (NDOT) did not have internal controls to ensure its stockpile inventory was appropriately quantified or valued. Stockpile amounts reported in inventory are not adequately reviewed for reasonableness and accuracy.

The effect cannot be quantified as there were insufficient records in place to reasonably estimate the year-end inventory balance.

We recommend NDOT implement internal controls, which includes a review of stockpile quantities and prices, to ensure its stockpile inventory is appropriately valued.

State's Response: The technical assistance project with the University of Nevada, Reno has been completed. Recommendations from the that effort resulted in purchasing a software application to automate the measurement of the stockpiles for inventory purposes. This software went into use in May 2023 and is now the only accepted means for measuring and reporting stockpile quantities during the annual reporting period.

Status: Corrected.

2021-009: **Highway Fund – Accounts Receivable and Deferred Inflows**
Significant Deficiency

Initial Fiscal Year Finding Occurred: 2021

Finding Summary: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Proper reconciliation and recording of accounts receivable and deferred inflows of resources is a key component of effective internal control over financial reporting.

Amounts billed and collected after June 30, 2021, which related to the fiscal year for motor carrier fuel and registration fees were not accurately reported.

The Nevada Department of Motor Vehicles (DMV) did not have adequate internal controls to properly summarize and report subsequent collections of motor carrier fuel and registration fees.

Accounts receivable and deferred inflows of resources were both overstated by $2,934,591.

We recommend the DMV enhance internal controls to properly summarize and report subsequent collections of motor carrier fuel and registration fees.

State's Response: Corrected as of 7/28/2022.

Status: Corrected.

2021-012: **Prescription Rebate Allowance for Doubtful Accounts**
Material Weakness

Initial Fiscal Year Finding Occurred: 2021

Finding Summary: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Having a policy and calculation methodology that considers historical information and currently known facts and circumstances in the development of an allowance for doubtful accounts is a key component of effective internal control over financial reporting.

The *allowance for doubtful accounts in relation to prescription* rebates was calculated using a standard policy (applied to all receivables) without regard to historical collection rates or currently known facts and circumstances specific to prescription rebates.

The Nevada Division of Health Care Financing and Policy did not have adequate internal controls to ensure its allowance for doubtful accounts policy was appropriate for prescription rebates.

The allowance for doubtful accounts was overstated (receivables understated) by approximately $16,000,000.

We recommend the Division of Health Care Financing and Policy enhance internal controls to ensure its allowance for doubtful accounts policy is appropriate for prescription rebates.

State's Response: This item was corrected on July 31, 2022. The correction was not retroactive.

Status: Corrected.

2021-024, 2020-012, 2019-009, 2018-003, 2017-006, 2016-006, 2016-011:

U.S. Department of Agriculture
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), 10.557

Procurement, Suspension, and Debarment
Significant Deficiency in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2016

Finding Summary: Affects all grant awards included under assistance listing 10.557 on the Schedule of Expenditures of Federal Awards.

Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) requires contracts contain the applicable provisions described in Appendix II to Part 200 for contracts under federal awards.

Certain applicable provisions described in Appendix II to Part 200 were not included in contracts as required.

The Nevada Division of Public and Behavioral Health (the Division) did not have adequate internal controls to ensure contracts under federal awards contained all of the applicable provisions.

Contractors may not be aware of required terms and conditions.

A nonstatistical sample of 60 procurement transactions out of approximately 3,000 was selected for testing, including 12 contracts subject to Appendix II to Part 200. Eight of the contracts were missing certain applicable provisions.

State's Response: Reason for recurrence: The Division has requested the standard templates for all contracts, including statewide contracts, be updated to include applicable provisions by the State Purchasing Division. As of February 27,2024, this request has not been approved. The Division of Public and Behavioral Health will continue to request that the State Purchasing Division include the required federal provisions for Appendix II to Part 200 specific to Suspension/Debarment, Anti-Lobbying, Federal Water Pollution and Clean Air/Clean Water Act in all statewide contract templates.

New corrective action: The Division of Public and Behavioral Health will continue to request that the State Purchasing Division include the required federal provisions for Appendix II to Part 200 specific to Suspension/Debarment, Anti-Lobbying, Federal Water Pollution and Clean Air/Clean Water Act in all statewide contract templates.

Partial corrective action taken: The Division has requested the standard templates for all contracts, including statewide contracts, be updated to include applicable provisions by the State Purchasing Division.

As of July 1, 2020, the Division has developed a quarterly and annual process to conduct suspension and debarment verifications for all contractors that receive federal funds to ensure division-wide compliance of this requirement.

Status: Not Corrected.

2021-032: **U.S. Department of Treasury**
Emergency Rental Assistance Program, 21.023

Procurement, Suspension, and Debarment
Material Weakness in Internal Control over Compliance and Material Noncompliance

Initial Fiscal Year Finding Occurred: 2021

Finding Summary: Affects all grant awards included under assistance listing 21.023 on the Schedule of Expenditures of Federal Awards.

All non-procurement transactions entered into by a pass-through entity (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 CFR section 180.215.

When a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity is not suspended, debarred, or otherwise excluded from participating in the transaction. This verification may be accomplished by checking the System for Award Management (SAM) Exclusions, collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity (2 CFR 200.214, 2 CFR Part 180).

Suspension and debarment verification procedures were not performed.

The Nevada Housing Division (the Division) did not have internal controls to ensure suspension and debarment verification procedures were performed for subrecipients.

Payments could have been made to subrecipients who were suspended or debarred.

The entire population of three subrecipient covered transactions was selected for testing. Suspension and debarment verification procedures were not performed for any of the covered transactions.

State's Response: As of January 2024, the Division has established an Internal Audit and Compliance Committee (IACC) to review findings, follow up on corrective action plans and overall support internal controls. The IACC has been meeting regularly and is actively working across units. The Division is verifying all subrecipients in SAM. All subrecipients of the Emergency Rental Assistance Program, 21.023, are current subrecipients of the Division and are not suspended nor debarred.

Status: Not Corrected.

2021-035: **U.S. Department of Treasury**
Emergency Rental Assistance Program, 21.023

Subrecipient Monitoring
Material Weakness in Internal Control over Compliance and Material Noncompliance

Initial Fiscal Year Finding Occurred: 2021

Finding Summary: Affects all grant awards included under assistance listing 21.023 on the Schedule of Expenditures of Federal Awards.

Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) section 200.332 requires that:

Pass-through entities ensure every subaward includes certain information at the time of the subaward.

Pass-through entities evaluate each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring. In addition, the subrecipient monitoring must ensure that the subaward is used for authorized purposes.

Subawards did not contain all the required information, an evaluation of each subrecipient's risk of noncompliance for purposes of determining the appropriate subrecipient monitoring was not performed, and monitoring procedures were not performed.

The Nevada Housing Division (the Division) did not have internal controls to ensure compliance with subrecipient monitoring requirements.

Noncompliance at the subrecipient level may occur and not be detected by the Division.

The entire population of three subrecipients was selected for testing. Risk assessment and monitoring was not performed for all three subrecipients. In addition, every subaward was missing required information.

State's Response: As of January 2024, the Division has established an Internal Audit and Compliance Committee (IACC) to review findings, follow up on corrective action plans and overall support internal controls. The IACC has been meeting regularly and is actively working across units. One of the responsibilities of the IACC is to verify the monitoring processes and confirm they are being followed. This is ongoing.

Status: Partially corrected.

2021-042: **U.S. Department of Health and Human Services**
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC), 93.323

Procurement, Suspension, and Debarment
Significant Deficiency in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2021

Finding Summary: Affects all grant awards included under assistance listing 93.323 on the Schedule of Expenditures of Federal Awards.

Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) requires contracts contain the applicable provisions described in Appendix II to Part 200 for contracts under federal awards.

Certain applicable provisions described in Appendix II to Part 200 were not included in contracts as required.

The Nevada Division of Public and Behavioral Health (the Division) did not have adequate internal controls to ensure contracts under federal awards contained all of the applicable provisions.

Contractors may not be aware of required terms and conditions.

A nonstatistical sample of 60 procurement transactions out of approximately 2000 was selected for testing, including 17 contracts subject to Appendix II to Part 200. Ten of the contracts were missing certain applicable provisions.

State's Response: Reason for recurrence: The Division has requested the standard templates for all contracts, including statewide contracts, be updated to include applicable provisions by the State Purchasing Division. As of February 27,2024, this request has not been approved. The Division of Public and Behavioral Health will continue to request that the State Purchasing Division include the required federal provisions for Appendix II to Part 200 specific to Suspension/Debarment, Anti-Lobbying, Federal Water Pollution and Clean Air/Clean Water Act in all statewide contract templates.

New corrective action: The Division of Public and Behavioral Health will continue to request that the State Purchasing Division include the required federal provisions for Appendix II to Part 200 specific to Suspension/Debarment, Anti-Lobbying, Federal Water Pollution and Clean Air/Clean Water Act in all statewide contract templates.

Partial corrective action taken: The Division has requested the standard templates for all contracts, including statewide contracts, be updated to include applicable provisions by the State Purchasing Division

As of July 1, 2020, the Division has developed a quarterly and annual process to conduct suspension and debarment verifications for all contractors that receive federal funds to ensure division-wide compliance of this requirement.

Status: Not Corrected.

2021-045: **U.S. Department of Health and Human Services**
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC), 93.323

Reporting
Significant Deficiency in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2021

Finding Summary: Affects grant award 6 NU50CK000560-01-05 included under assistance listing 93.323 on the Schedule of Expenditures of Federal Awards.

The OMB Compliance Supplement requires that reports submitted to the federal awarding agency include all activity of the reporting period, are supported by underlying accounting information, and are presented in accordance with program requirements.

The terms and conditions of the grant award requires Performance Measure Data based on actual recorded results.

Information reported was not supported by the underlying records.

The Nevada Division of Public and Behavioral Health did not have adequate internal controls to ensure *Performance Measure Data* reports were accurate.

Inaccurate information was reported to the federal awarding agency.

A nonstatistical sample of two Performance Measure Data reports out of a population of 12 was selected for testing. We noted one error on one of the reports where the number of new cases that were identified (or known) as contacts in the previous 14 days was understated by three cases.

State's Response: As of March 2022, revised reporting numbers were provided to the federal agency. The Division has enhanced internal controls to include peer review to ensure performance measure data entry has been submitted accurately and data counts are verified.

Status: Corrected.

2021-062: **U.S. Department of Homeland Security**
Disaster Grants – Public Assistance (Presidentially Declared Disasters), 97.036

Reporting
Material Weakness in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2021

Finding Summary: Affects all grant awards included under assistance listing 97.036 on the Schedule of Expenditures of Federal Awards.

The Federal Funding Accountability and Transparency Act (FFATA) requires direct recipients of certain federal awards to report subaward information by the end of the month following the month in which the prime awardee obligates a subgrant award equal to $30,000 (or $25,000 for federal agencies that have not yet adopted amendments effective November 12, 2020).

Required subaward information was not reported in the FFATA Subaward Reporting System (FSRS) timely.

The Nevada Division of Emergency Management (the Division) did not have adequate internal controls to ensure subaward information was submitted timely.

Subaward obligations were not reported in the FSRS in a timely manner and therefore not included on the FFATA's website for public information disclosure in a timely manner.

A nonstatistical sample of three subawards from a population of nine was selected for testing. The quantity and subaward obligation errors were noted as follows:

	Subawards	Obligations
Total Tested	3	$918,842
Not Reported	N/A	N/A
Not Timely	3	$918,842
Obligation Incorrect	N/A	N/A
Missing Key Elements	N/A	N/A

State's Response: This finding has been fully corrected on 07/13/22.

Status: Corrected.

2021-063: **U.S. Department of Homeland Security**
Presidential Declared Disaster Assistance to Individuals and Households – Other Needs, 97.050

Reporting
Material Weakness in Internal Control over Compliance and Material Noncompliance

Initial Fiscal Year Finding Occurred: 2021

Finding Summary: Affects all grant awards included under assistance listing 97.050 on the Schedule of Expenditures of Federal Awards.

The OMB Compliance Supplement requires that reports submitted to the federal awarding agency include all activity of the reporting period, are supported by underlying accounting information and data for performance measures.

The Grant Award provides that weekly program status reports be filed, which include:

- The number and dollar amount of applications approved weekly;
- The number of individuals eligible to receive assistance under this award, broke out by programs identified in Section 4(d)(i) of the August 8, 2020 Presidential memorandum;
- The amount of assistance disbursed weekly; and
- The number of appeals received.

Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 200.303 provides that non-federal entities must establish and maintain effective internal control that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 200.334 provides that records pertinent to a federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respective, as reported to the federal awarding agency or pass-through entity in the case of a subrecipient.

The amounts reported for appeals and pending claims were not supported by the underlying records. In addition, evidence of segregation of duties (internal control review) was not available.

The Nevada Department of Employment, Training, and Rehabilitation (the Department) did not have adequate internal controls to ensure the weekly reports were accurate and data retained.

Inaccurate information may have been reported to the federal awarding agency.

A nonstatistical sample of eight out of a population of 26 weekly reports was selected for testing. Original data and reconciliations were not retained, and they were recreated for testing. The following is a summary list of unreconciled variances between reported amounts and underlying recreated documentation for seven reports:

January 10, 2021 Report
Open Appeals (Line 2a): Reported 18,465; Documentation 38,628
New Appeals (Line 2b): Reported 579; Documentation 137
Pending Claims (Line 3a): Reported 122,489; Documentation 54,205
New Pending Claims (Line 3b): Reported 352; Documentation 4

January 31, 2021 Report
Open Appeals (Line 2a): Reported 19,216; Documentation 13,174
New Appeals (Line 2b): Reported 543; Documentation 36,475
Pending Claims (Line 3a): Reported 82,006; Documentation 43,489
New Pending Claims (Line 3b): Reported 498; Documentation 0

February 28, 2021 Report
Open Appeals (Line 2a): Reported 20,095; Documentation 11,972
New Appeals (Line 2b): Reported 571; Documentation 36,811
Pending Claims (Line 3a): Reported 52,613; Documentation 22,546

April 3, 2021 Report
Open Appeals (Line 2a): Reported 65,143; Documentation 12,123
New Appeals (Line 2b): Reported 37; Documentation 65
Pending Claims (Line 3a): Reported 30,185; Documentation 24,000

April 24, 2021 Report
Open Appeals (Line 2a): Reported 62,977; Documentation 11,827
New Appeals (Line 2b): Reported 96; Documentation 83
Pending Claims (Line 3a): Reported 26,897; Documentation 17,346

May 15, 2021 Report
Open Appeals (Line 2a): Reported 61,022; Documentation 11,502
New Appeals (Line 2b): Reported 68; Documentation 59
Pending Claims (Line 3a): Reported 24,681; Documentation 19,777

June 19, 2021 Report
Open Appeals (Line 2a): Reported 57,015; Documentation 10,848
New Appeals (Line 2b): Reported 54; Documentation 36
Pending Claims (Line 3a): Reported 23,568; Documentation 14,979
In addition, three reports did not have evidence of review and approval by an individual other than the preparer.

State's Response:

Nevada DETR's Response
As the Lost Wages Assistance (LWA) was a new program to DETR staff, the initial queries obtained by staff did not contain the valid and necessary information. After the discovery of the discrepancies in October 2021, DETR IT and UISS worked to run different queries on a weekly basis to obtain concrete and valid data. In addition to running three weekly queries, DETR provided additional training for staff to understand the queries and properly utilize the information provided by DETR IT. Current report totals now agree to their supporting documentation.

Nevada DETR Response as of January 2024
Lost Wage Assistance (LWA) was a new program that had to be coded into the CORE System UINV. Due to staff retiring, reporting discrepancies were identified. Staff were retrained to understand/read the queries correctly. UINV also had system limitations that were worked on by UISS and ITD. Because of the system limitations, LWA was being tracked by queries and excel sheets. ITD would run three separate queries to obtain valid data and UISS would verify the data being populated. FEMA has closed DETR findings due to the corrections, effective May of 2023 (per attached).

Updated Nevada DETR Response as of February 2024
As stated previously, FEMA has closed DETR findings due to the corrections that have been made, effective May 2023. No further actions are needed.

Estimated Date of Completion: COMPLETED

Contact Person: ***Kristine Nelson,*** *Administrator, DETR/ESD (775)684-3828, kknelson@detr.nv.gov.*

Status: Corrected.

2020-001: **Unemployment Fraudulent Benefit Payments**

Material Weakness

Initial Fiscal Year Finding Occurred: 2020

Finding Summary: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Internal controls should be designed, implemented, and maintained to ensure the reliability of financial reporting and to prevent and detect fraud. The Department of Employment, Training, and Rehabilitation (DETR) is primarily responsible for the implementation of these controls in relation to the Unemployment Compensation Enterprise Fund.

Fraudulent unemployment benefit payments were paid.

DETR did not have the staffing levels, information system data analytic controls, and manual internal controls in place to handle the significant surge in unemployment claims as a result of the COVID-19 Pandemic and the new programs implemented by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

At this time, the ultimate effect and total fraudulent payments cannot be estimated. However, initial estimates made by management, believe that at least $310.4 million in potentially fraudulent payments were processed. Of this amount, $87.4 million were recovered by DETR's third party processor. The ultimate recovery of fraudulent payments is unknown and the amount cannot be estimated due to the volume of cases, sophistication of the fraudsters, and resources available to investigate. However, the investigative and recovery efforts are ongoing.

We recommend DETR work with the federal agencies involved in the unemployment fraud task force to identify and attempt recovery of fraudulent payments.

In addition, we further recommend that DETR improve information system internal controls to enhance data analytics as well as manual internal controls to better detect and prevent fraud.

State's Response: Nevada DETR's Response

Nevada DETR management recognized the immensity of the task given it as the Pandemic and its impact ravaged the Nevada UI system. Nevada DETR management is and has been taking aggressive steps to heighten verification efforts and prevent /detect fraud in this program.

DETR has been vigilant in identifying fraud schemes and preventing improper benefit payments to the hundreds of thousands of fraudulent claims that have been filed since March 2020. The Nevada UI Benefit Payment Control Unit (BPC) has been actively engaged with national and local law enforcement agencies, USDOL, the National Association of State Workforce Agencies (NASWA) Integrity Center, the current debit card vendor Bank of America, and other technology vendors such as On Point Technologies, ID.me, GSI, and Pondera in a continuing effort to identify, prevent, and cease fraudulent benefit payments. The program is continuing to partner with these entities to address new and developing cyber-fraud schemes in this ever-changing environment.

DETR reviews claims on an ongoing basis. DETR paid out approximately $5 billion in PUA benefits and have to date stopped payment and prevented an estimated $8.7 billion in improper payments based on identity verification alone. 638,287 issues as of04-16-21 (denied on ID issue) X $13,700 (average collected on a PUA claim)=$ 8.7 billion.

Staff review lists of claims created by ISA or IDP, which highlight multiple types of known fraud indicators. Those claims are reviewed, and data analysis takes place to tie any additional fraudulent claims together. DETR provided the B of A analytics to stop payment and is the driver for the majority of the prevented improper payments. BPC developed strategies to identify and stop these claims (many before payments were issued). If payments were made, we exercised the tactic of recalling funds deposited to fraudulent claimant accounts to recover the funds. This recall tool was used very minimally in the past but has been beneficial to use during this crisis.

DETR fraud measures estimated timeline below.

- 2015 -Data analytics reports developed to detect known fraudulent hallmarks
- 2020 - Data analytics reports adjusted, and additional reports added to detect new fraudulent patterns discovered during the pandemic.
- April 2020 - Approval from administration/ legal to recall remaining fraudulent funds paid out which will result in over 100 million dollar returns to Nevada Unemployment Trust Fund.
- December 2020 -reCaptcha implemented in PUA to combat bot activity by bad actors.
- February 2021 - Clear ID validations and will be disqualifying further fraudulent claims currently having payment held. F
- February 2021 Two Factor Authentication implemented in PUA to combat fraudulent actors from receiving benefits.
- March 2021 crossmatching claim data with Department of Corrections and Vital tatistics to stop fraud.
- March 2021 OnPoint UI claims report tool extended. Working on UI Data needs for Jaspersoft reporting tool.
- March 2021 Pondera Fraudcaster and Case Tracker Tool data from PUA and UINV setup began to track fraud cases through follow-up with law enforcement cases, collections, and post investigation closure.
- March 22, 2021 - ID. Me continued and initial PUA claims identity validation. Initial claims went down from 500 per day to 50 per day. As of 04-13-21 56,657 identities have been verified and 10,206 known fraud claims have been stopped. As well as 3062 more suspected fraud that need further investigation.
- April 2021 exchange claim data with NASWA Integrity Data Hub to crossmatch fraud data and take action on fraud hallmark data returned.
- July 2021 ID.me validation added to additional and continued claims.
- January 2022 claimant demographic changes blocked in UINV to stop high jacking of claimant accounts /payments.
- February 2022 ID.me validation will be added to claims updated for claimants.

- DETR continues to work with our partners in an ongoing effort to resolve these issues for claimants while protecting claimants. Crossmatching DMV, Vital Statistics (deceased) and Department of Corrections incarcerated data is being used to stop these bad actors. Claims data compared to NASWA's National Integrity Data Hub and returned with suspected fraud matches in other states. The agency will continue to focus on getting eligible Nevadans paid while addressing fraud in the State.
- The USDOL has made supplemental monies available to states in their efforts to combat fraud. DETR is pursuing implementing ID. Me in the regular UI system. Further IT development is underway to stop these bad actors in the claim filing process reducing the fraud backlog and cost to the department and delay of payment for valid claimants.
- And finally, with respect to Recovery, DETR coordinates on a regular basis with Local Law Enforcement officials, the Attorney General's Office, the Office of Inspector General, the Secret Service Office, Postal Inspectors and the Federal Bureau of Investigation (FBI) to recover funds through forfeiture and seizures.

Reason for Recurrence
The department is working on reducing backlogs and implementing corrective actions. Large reductions in fraud cases occurred when identity and other employment validations were set in place.

Nevada DETR's Response -August 2021

Additions to DETRS Fraud measures
In July 2021 -DETR implemented ID.me up-front identification verification to prevent fraudulent filing of regular unemployment insurance claims. Claimants filing an initial, additional, or weekly claim must verify their identity in ID.me. Validation must be authorized by ID.Me prior to any online unemployment claim filing access. Claimants who cannot complete the process require a staff claim review and receipt of proof of identity prior to any unemployment payment.

In late Spring of 2021, DETR began monthly meetings with the Nevada Attorney General's office, which include the staff from the Integrity unit. The purpose of these meetings was to work on how best to provide information on investigations, what information is most needed, as well as logistics of contact and transfer of data.

In July 2021, a new compliance investigator unit was formed. This team of 4 investigators and a supervisor will be responsible for working cases that are being referred to law enforcement and provide ongoing information in active cases as well as collection of any returned funds.

In August 2021, DETR opened dialogue with the Nevada Department of Public Safety about securing investigation resources for fraud committed by residents in Nevada. This fraud type was tied mostly to fictious employers and identify theft.

During July and August 2021, DETR procured a vendor contract for assistance working backlog of fraud issues. This contract was awarded to a vendor Nelnet who will begin work on 9/15/21. This vendor has experience working fraud claims in other states and will be able to provide quick ramp up of personnel who will work on overpayments in the system in order to bring back in frozen funds, investigate questionable identity issues, contact employers for breakdown of wages in underreported earnings cases, conduct fact finding and prepare files for DETR investigators to resolve.

Nevada DETR's Response - November 2021

Work is ongoing to complete the backlog of potential fraudulent claims. In late September 2021 DETR began using a contractor to assist in the BPC backlog. The first task was to write off the overpayments for claims which were determined to be fraudulent and not recoverable.

Approximately 20,000 of these claims were corrected by the end of September 2021. The next task began October 14, 2021 with training which resulted in work to prepare claims of suspected fraud for merit staff decisions. The vendor is assisting the BPC unit by making phones calls, verifying identities, uploading, and reviewing documentation submitted by the actual owner of the social security number. These tasks assist the investigators greatly in being able to resolve pending fraudulent filings. Resolving these issues will prevent improper payments and ensure those claimants who are entitled to benefits receive them.

Response from U.S. DOL Grant Officer - January 2022

In response to the ID, the Nevada Supreme Court overturned the decision to pay claimants in September of 2021 post the PUA program ending. The ineligible clients based on the original finding of the court case are being reviewed for eligibility requirements. Overpayments related to these PUA cases will be established and programming to offset any further regular unemployment claims is in progress.

ETA staff requested information from the State regarding UI payments made to ineligible claimants. In response, the State has not attempted recovery of fraudulent payments and did not provide ETA the requested documentation.

Nevada DETR's Response - January 2022 - (also see finding 2020-014)

The released improper payments for the identified cases above are due to a few reasons. Due to UIPL 16-20-Change 1 guidance, claimants were allowed to self-certify and were eligible to receive benefit payment. Once DETR reviewed, the claim issues were detected, and payment was stopped. **The court issued a decision forcing DETR to continue paying these claimants.**

In May 2020, DETR reported to the vendor that claimants were asked to reopen their PUA claim. At the time of reopen, the prior disqualification did not follow through and payments were released. Finally, claimants would self-certify without disclosing they were not attached to the labor market at the time of the pandemic or other eligibility; therefore, benefits were released until staff reviewed the claim. At the time of the review, these could not be stopped due to the court order.

The claims reviewed fell into one of the two scenarios and were a **direct result** of the court order. Had the court order not been in place, DETR would have stopped payment, created overpayments and initiated collection activity.

In response to the request "The State must provide DOL with updated and implemented policies and procedures which improve internal controls to enhance data analytics to better detect and prevent fraud.":

DETR uses several tools to prevent fraud including up front identification verification and two factor authentications. Analytics are run after claims are filed to further detect potential fraudulent filings. Upon detection, these claims are stopped by applying non-pay issues, which must be resolved using analysis by Integrity Unit staff prior to release of funds. Additionally, the department's databases supplied by fraud vendors pull information for fraud investigations. The Employment Security Division's Integrity Unit has a high-level operation manual as well as several desktop manuals to perform analysis and determination of fraud as well as recovery efforts.

Nevada DETR Response as of September 2022

The corrective actions have been ongoing, especially for fraud issues. This issue had been appealed in the past and was to be appealed for this finding as well. Unfortunately, the appeal was filed too late due to an oversight. Nonetheless, the corrective actions initiated several months ago have been and continue to be implemented.

Updated Nevada DETR Response as of February 2024

In response to Finding 2020-001, which highlighted fraudulent unemployment benefit payments, DETR has undertaken a comprehensive approach to address and rectify the situation. DETR has proactively collaborated with federal agencies involved in the unemployment fraud task force, including law enforcement, the National Association of State Workforce Agencies (NASWA) Integrity Center (IDH), Office of Inspector General (OIG), and various technology vendors. Through these partnerships, DETR has implemented stringent measures such as the use of ID.me for robust identity validation and Two-Factor Authentication, resulting in a substantial reduction in fraudulent claims. Furthermore, the agency has continuously adjusted data analytics reports and enhanced internal controls to identify known and emerging fraudulent patterns. The creation of a compliance investigator unit, engagement with a vendor for backlog assistance, and meetings with the Nevada Attorney General's office underscore DETR's commitment to strengthening investigative resources and resolving the backlog of potential fraudulent claims. These concerted efforts reflect DETR's dedication to improving information system internal controls, implementing effective data analytics, and employing manual internal controls to better detect and prevent fraud in the unemployment insurance system. We request this finding be resolved.

Date of Completion: Completed

Contact Person: Patricia Allander, *Deputy ESD Administrator, DETR/ESD (775)684-3906, p-allander@detr.nv.gov*

STATE OF NEVADA
DEPARTMENT OF EMPLOYMENT
TRAINING AND REHABILITATION

MANUAL OF OPERATIONS **CHAPTER 7800** **PARTV**	**-BENEFIT ACCURACY MEASUREMENT -**	**SECTION 7800 - 7899** **DATE 02/24**

7800 MISSION STATEMENT
Mission Statement: The Benefit Accuracy Measurement (BAM) program is designed and structured to allow independent assessment of improvements in Unemployment Insurance (UI) program accuracy and integrity. The BAM program is designed to promote long-term UI program improvements based upon analysis of BAM and other data, and the interpretation of BAM findings.

7802 PURPOSE OF THE BAM PROGRAM
The UI Benefit Accuracy Measurement is a diagnostic tool for use of Federal and State Employment Security Agency staff in identifying, analyzing and reducing errors in the payment ofUI benefits and the collection of UI revenues. The key to attaining this objective is the collection of detailed data and analysis of such data in a timely manner. . Representative samples ofUI payments are drawn and examined extensively to determine if they were made to eligible claimants and if these individuals were paid the proper amounts in accordance with laws and policies. Based on the errors identified, users will be able to develop and implement laws, policies and procedures. The retention of documents will be seven years after creating.

The BAM Program is based on the premise that information derived from a few sample cases provide useful, accurate information about certain characteristics of the total population of cases from which the sample was drawn. The accuracy of monetary determinations and the proper detection and resolution of eligibility issues are assessed by detailed investigations of selected benefits payments. This is accomplished through examination of records and contacts with claimants, employers, unions, Employment Services and other parties in order to verify all aspects of the claim that could affect eligibility for payments. All cases have to be submitted into the Sun System 30 days from assignment.

State resources have been targeted by the Department of Labor (DOL) for the Nevada BAM Program to perform detailed investigation of benefits paid in the regular UI,
ewe, UCX, UCFE and Interstate claims. BAM also investigates, on a more targeted
basis, denied claims (monetary, separation and non-separation determinations).

7804 ORGANIZATION OF THE BAM UNIT
The BAM Unit is part of the Employment Security Division (BSD) of the Department of Employment, Training and Rehabilitation (DETR). The BAM Unit is under the direction of the BSD Program Chief of Unemployment Insurance Support Services (UISS). The BAM Supervisor is directly responsible for the day to day operations of the BAM Unit and reports directly to the BSD Administrator.

Status: Corrected.

2020-004, 2019-006: **Highway Fund – Inventory Balance, Accounts Receivable, Accounts Payable and Unavailable Revenue**

Material Weakness

Initial Fiscal Year Finding Occurred: 2019

Finding Summary: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Proper recording of inventory, accounts receivable, accounts payable, and unavailable revenue are key components of effective internal control over financial reporting.

Physical inventory counts are performed during the months of April and May each year; however, there are no roll-forward procedures in place to determine what the year-end inventory balance should be as of June 30th. Inventory Reports used to record the inventory balance stockpile by locations throughout the State of Nevada did not agree to the balance recorded by the Department of Transportation (NDOT). In addition, during our audit procedures the invoices provided to support inventory pricing significantly varied from the unit prices used in the inventory balance.

During our audit procedures, we became aware of an accounts payable transaction that was not recorded in the appropriate accounting period.

In addition, we became aware of accounts receivable and unavailable revenue transaction that were written off and improperly reflected in the accounts receivable and unavailable revenue balances.

The internal controls in place, did not ensure that inventory was recorded accurately.

The internal controls in place did not ensure that payments made after year-end were recorded in the accounting period in which the services were provided.

In addition, the internal controls in place did not ensure that bad debt write-offs were accurately reflected in accounts receivable and unavailable revenue.

The effect cannot be quantified as there were insufficient records in place to reasonably estimate year-end inventory balance.

Accounts payable was understated by $504,641. In addition, accounts receivable and unavailable revenue were overstated by $1,771,505.

We recommend the State of Nevada enhance internal controls, policies, and procedures to provide for the appropriate observation, valuation, and recording of inventory and related expenditures.

We recommend the State of Nevada enhance internal controls over the recording of accounts receivable, accounts payable, and unavailable revenue.

State's Response: Accounts Receivable and Unavailable Revenue

Reason for recurrence, if applicable: Delays in policy revisions due to department vacancies in the NDOT Chief Accountant and other accounting positions

Partial corrective action taken:
The Nevada Department of Transportation (NDOT) submitted and was granted a Request for Exemption from NRS 353C.195 Debt Collection Assignment, requesting to manage our invoices for 120 days before writing them off and submitting them to the Controller's office. NDOT revised its Accounting Procedures Manual 30.200 Collection Process on 3/29/23 to incorporate this change. The Chief of Accounting reviews the aging report monthly. The report currently provided from Advantage continues to only display receivables from 30-90+ days. NDOT is working with IT to create a report which provides visibility to 120 days receivables. Once developed, NDOT Accounting will provide this report weekly to the Assistant Director for review.

Due to departmental vacancies and workload, NDOT has issued a Request for Proposal to solicit a vendor for assistance in updating all of NDOT's Transportation Policies (TPs). Included in these revisions will be Accounting Policy 1-5-1, Accounts Receivable and Collection, memo and Policy 1-5-16, Property Damage Billings. Both policies will be updated to include a monthly accounts receivable reconciliation process, which will streamline the year-end closing process and help discover and correct billing discrepancies promptly. These policy updates have been delayed due to department vacancies in the NDOT Chief Accountant and other accounting positions and is planned for completion by December 31, 2024.

The current accounts receivable reconciliation process is to log differences between the FDOT (NDOT) subsidiary ledger and the FSCO's (Controllers) ledger as a reconciling item; however, the process has left a small accumulative immaterial rolling balance. More discovery and time are needed to resolve and/or answer the unreconciled rolling balance issue. This issue has been delayed due to department vacancies in the Chief Accountant and other accounting positions at NDOT.

The technical assistance project with the University of Nevada, Reno has been completed. Recommendations from that effort resulted in purchasing a software application to automate the measurement of the stockpiles for inventory purposes. This software went into use in May 2023 and is now the only accepted means for measuring and reporting stockpile quantities during the annual reporting period.

Status: Corrected.

2020-015: **U.S. Department of Labor**
Unemployment Insurance, 17.225

Reporting
Material Weakness in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2020

Finding Summary: Affects all grant awards included under CFDA 17.225 on the Schedule of Expenditures of Federal Awards.

The OMB *Compliance Supplement* requires that reports submitted to the federal awarding agency include all activity of the reporting period, are supported by underlying accounting information and are presented in accordance with program requirements.

Quarterly, the Nevada Department of Employment, Training and Rehabilitation (the Department) must submit the Quarterly Unemployment UI Above-Base Report (UI-3) as directed by the *Employment & Training Administration Handbook*.

Amounts reported on the UI-3 were not supported by the underlying accounting information and therefore, were not reported in accordance with program requirements.

The Department did not have adequate internal controls to ensure the UI-3 was accurate.

Inaccurate information was reported to the federal awarding agency.

A nonstatistical sample of two out of four quarterly reports was selected for testing. Section A, Line 6, was understated by 7.79 and 7.58 staff years for the current quarter worked and current quarter paid, respectively, for the March 31, 2020 UI-3 report. In addition, we were unable to verify the accuracy of the year to date paid column as it was reported less than the current quarter paid, without explanation as to why the year to date would be less than the quarter to date.

We recommend the Department enhance the internal controls to ensure the UI- 3 is accurate.

State's Response:

Nevada DETR's Response

Nevada DETR agrees with this finding. However, the UI-3 report for quarter ending March 31, 2020 has already been corrected by the department and re-submitted to the Department of Labor. The department is reviewing the internal control procedures for improvement measures. Additionally, the department is re-reviewing the system generated supporting reports to strengthen internal controls for the creation of the supporting reports used to compile the UI-3 report.

Reason for Recurrence

Not Applicable

Nevada DETR's Response (Financial Management Bureau)- August 2021

DETR Financial Management (FM) submits the UI-3 report on a quarterly basis. Section A, Line 6 has been historically left blank. These fields only required data to be entered once we begin coding to the CARES Act job codes. Not having these in place, and not realizing line 6 needed to be populated for the 03/31/2020 quarter, they were left blank. Now that the job codes are in place, this data will

be populated in every applicable quarter until the funding for those codes ends and no longer needs to be reported on. As you can see for the reports attached (Attachment DETR 2020-015), period ending 12/31/2019 Line 6 was left blank as was the first version of period ending 03/31/2020. Data was then populated in the second version of period ending 03/31/2020.

Additionally, FM has been active in verifying the information that feeds the UI-3 report is accurate and that the information in the UI-3 report fields are accurate. FM internally produces a TD report which drives the fields in the UI3 report. The TD report is produced by our IT staff and has staff hour and job activity info summarized by quarter. DETR has verified this report is correct and the data is accurate. FM has a well-defined procedure in place for producing the UI- 3 and will revise procedures to increase efficiency at any opportunity. FM has increased the internal control process by ensuring the UI-3 goes through various stages of approval. FM's Accountant Tech II prepares the report, FM's Management Analyst III reviews and reconciles the UI-3 report with the TD report for that particular quarter, FM's CFO will then do a final review and give approval and submit the report. DETR will continue to work as a team to verify correctness and accuracy in both our internal reports and our reports to DOL. Additional examples of the TD report and copy of the UI-3 procedure can be available upon request.

U.S. DOL Response dated October 2021

To satisfy this finding, please highlight the updated written improvements to manual controls for accurate reporting of the UI-3. This information may include specifics to Section A, line 6.

In addition, documentation of the implementation of job codes and all applicable internal controls may be provided. The UI-3 report for March 31, 2020 along with the appropriate detailed improvements to internal controls to ensure the accuracy of this report and further accurate reporting of the UI-3 may be provided.

Nevada DETR's Response - November 2021

DETR will continue to work as a team to verify correctness and accuracy in both our internal reports and our reports to DOL. DETR updates and disseminates to the department a monthly time distribution (TD) reports, which provide department managers and supervisors accurate job coding references by position. Furthermore, DETR maintains an updated **Project/Job Number Crosswalk** that provides applicable internal controls for staff to accurately identify and apply the appropriate grants' project and job number.

DETR is currently working on updating its attached **2020_015 Sd_Federal Reports** internal controls to improve its reporting functions and ensure accurate reporting is completed in all of DETR's federal grants.

In addition, during the week of November 8-12, 2021, DETR's staff is receiving technical assistance grants application and management training provided by Thomas DiLisio, DOL-ETA, which includes the SMART 3.0 training series that will provide DETR with additional knowledge and resources to mitigate fiscal and reporting issues in the future.

Response from U.S. DOL Grant Officer - January 2022

In response to the ID, the State provided its response on November 8, 2021. DETR stated they will continue to work as a team to verify correctness and accuracy in both our internal reports and our reports to US DOL. DETR updates and disseminates to the department monthly time distribution (TD) reports, which provide department managers and supervisors accurate job coding references by position. Furthermore, DETR maintains an updated Project/Job Number Crosswalk that provides applicable internal controls for staff to accurately identify and apply the appropriate grants' project and job number.

DETR stated it is currently working on updating its attached 2020_015 5d_ Federal Reports internal controls to improve its reporting functions and ensure accurate reporting in completed in all of DETR's federal grants.

In addition, during the week of November 8-12, 2021, DETR's staff is receiving technical assistance grants application and management training provided by Thomas DiLisio, DOL-ETA, which includes the SMART 3.0 training series that will provide DETR with additional knowledge and resources to mitigate fiscal and reporting issues in the future.

ETA staff reviewed information from the State, and the State has not updated its policies or procedures nor enhanced the internal controls to ensure that the UI-3 is accurate.

Determination: Based on the above, the finding is **uncorrected.** The State must provide DOL with updated and implemented policies and procedures which improve internal controls to ensure the UI-3 is accurate.

Nevada DETR's Response - January 2022

FM has a well-defined procedure in place for producing the UI-3 and will revise increases to efficiency at any opportunity. FM has increased the internal control process by ensuring the UI- 3 goes through various stages of approval. This approval stream was updated on 01/26/2022 to include the new positions that were previously vacant. Additionally, FM reorganized the staffing structure in December of 2021 to increase efficiency, ensure correct data, and to ensure proper review and approval levels are in place. One change to note is the State's HR department downgraded the Accountant III to an Accountant II. Here is the current and approved UI-3 review process, procedure is attached as well as a recent UI-3 report:

FM's Accountant II prepares the report, FM's Administrative Services Officer III reviews and reconcile the UI-3 report with the TD report for that particular quarter, FM's CFO will then do a final review and give approval and submit the report.

Review, Approvals & Transmittal

- Accountant II PCN 6002 will prepare the report.
- Once you have collected all the info organize in UI-3 binder in similar fashion to prior quarter.
- Give to Administrative Services Officer III PCN 0042 for review.
- After review, give to Chief Financial Officer PCN 0004 for final approval.
- Once approved and returned to the Accountant II, Log in to SUN-UI

- Select Transmit located at the bottom of the screen.
- Print transmitted screen.
- Do the same for UI-Trade.
- Add these pages to UI-3 Binder and SCAN and attach to email.
- Save scanned copy here: S:\fm\4772 UI\Reports\UI 3 Quarterly Reports

DETR will continue to work as a team to verify correctness and accuracy in both our internal reports and our reports to DOL. Additional examples of the TD report and copy of the UI-3 procedure can be available upon request.

Nevada DETR Response as of September 2022
The corrective action was completed. Please see previous responses.

Updated Nevada DETR Response as of February 2024
The corrective action was completed. Please see previous responses.

Date of Completion: January 26, 2022

Contact Person: Carrie Edlefsen, Chief Financial Officer, *DETR/Financial Management (775)684-3838*

Status: Corrected.

2019-018: **U.S. Department of Veterans Affairs**
Grants to States for Construction of State Home Facilities, 64.005

Allowable Costs/Cost Principles
Material Weakness in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2019

Finding Summary: Affects all grant awards included under CFDA 64.005 on the Schedule of Expenditures of Federal Awards.

The OMB Compliance Supplement requires that non-federal entities receiving federal awards establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Accurate record retention and reconciliation of expenditures are key components of effective internal controls.

The Department of Veterans Services (the Department) did not maintain adequate records and reconciliations to facilitate effective monitoring and tracking of allowable costs.

The Department did not have adequate internal controls to monitor total federal expenditures, including approved pre-award costs.

$10,115,056 in costs were not billed to the federal awarding agency timely.

No sampling was used. We examined the total unbilled costs and noted approved pre-award project costs from fiscal years 2014-2018 as well costs in fiscal year 2019 that were not reconciled or billed.

We recommend the Department enhance internal controls to monitor total federal expenditures, including approved pre-award costs.

State's Response: A written procedure has been drafted and is being reviewed and refined through legal counsel of both the Department of Veterans Services and the State Public Works Division. It has not been finalized or approved by both Departments due to delays regarding the COVID-19 pandemic and significant personnel changes in both departments. This is anticipated to be completed by December 30, 2024.

Status: Partially corrected.

2019-020: **U.S. Department of Veterans Affairs**
Grants to States for Construction of State Home Facilities, 64.005

Procurement, Suspension, and Debarment
Significant Deficiency in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2019

Finding Summary: Affects all grant awards included under CFDA 64.005 on the Schedule of Expenditures of Federal Awards.

Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) requires contracts contain the applicable provisions described in Appendix II to Part 200 for contracts under federal awards.

Certain applicable provisions described in Appendix II to Part 200 were not included in contracts as required.

The Nevada Department of Veterans Services (the Department) did not have adequate internal controls to ensure contracts under federal awards contained all of the applicable provisions.

Contractors may not be aware of required terms and conditions.

A nonstatistical sample of 26 procurement transactions out of 148 was selected for testing, including ten contracts subject to Appendix II to Part 200. Six of the ten contracts were missing certain applicable provisions.

We recommend the Department enhance internal controls to ensure all contracts under federal awards contain the applicable provisions.

State's Response: A written procedure has been drafted and is being reviewed and refined through legal counsel of both the Department of Veterans Services and the State Public Works Division. It has not been finalized or approved by both Departments due to delays regarding the COVID-19 pandemic and significant personnel changes in both departments. This is anticipated to be completed by December 30, 2024.

Status: Partially corrected.

2019-021: **U.S. Department of Veterans Affairs**
Grants to States for Construction of State Home Facilities, 64.005

Other
Material Weakness in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2019

Finding Summary: Affects all grant awards included under CFDA 64.005 included on the Schedule of Expenditures of Federal Awards.

Title 2 Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) requires the State of Nevada to prepare a Schedule of Expenditures of Federal Awards (SEFA) showing total federal expenditures for the year.

Amounts were originally reported incorrectly on the SEFA.

The Nevada Department of Veterans Services (the Department) did not have adequate internal controls to ensure total federal expenditures were appropriately reported on the SEFA.

Prior to correction, the total federal expenditures on the SEFA were understated by $10,115,056.

No sampling was used; all program expenditures on the SEFA were reconciled to supporting records.

We recommend the Department enhance internal controls to ensure total federal expenditures are appropriately reported on the SEFA.

State's Response: Information was submitted to the State Controller's Office on February 20, 2020 to correct the SEFA. For future SEFA reporting, the Department of Veterans Services and the State Public Works Division are working on a written procedure and the draft is being reviewed and refined through legal counsel of both the Department of Veterans Services and the State Public Works Division. It has not been finalized or approved by both Departments due to delays regarding the COVID-19 pandemic and significant personnel changes in both departments. This is anticipated to be completed by December 30, 2023.

Status: Partially corrected.

2019-027: **U.S. Department of Education**
Rehabilitation Services Vocational Rehabilitation Grants to States, 84.126

Earmarking
Material Weakness in Internal Control over Compliance

Initial Fiscal Year Finding Occurred: 2019

Finding Summary: Affects grant award #H126A180041 included under CFDA 84.126.

The OMB Compliance Supplement indicates that states must reserve and expend at least 15 percent of pre-employment transition services to students with disabilities who are eligible, or potentially eligible, for VR services.

Pre-employment transition services were not expended at the minimum 15 percent.

The Nevada Department of Employment, Training and Rehabilitation (the Department) did not have adequate internal controls to ensure pre- employment transition service expenditures were at least 15 percent of the VR allotment expended.

Pre-employment transition services were underfunded.

No sampling was used. Total expenditures were $18,531,753, which would require at least $2,779,763 to be expended towards pre-employment transition services. However, only $2,082,080 was spent, which is a deficit of $697,683.

We recommend the Department enhance internal controls to ensure compliance with earmarking requirements.

State's Response: **Nevada DETR's Response**

DETR Rehabilitation Division recently developed a Fiscal Technical Manual for Pre- Employment Transition Services (Pre-ETS) **(Attachment C).** It established policy and internal controls related to the establishment of the Pre-ETS reserve fund; defined reasonable, necessary, allocable and allowable Pre-ETS expenditures; and outlined expenditure recording, reporting and monitoring. Since the Division began implementing Pre-ETS in FFY2016, the Division has been focusing on expanding service delivery year-over-year, and implementing new programs and initiatives appropriate to these federal mandates. Each year the VR program has increased Pre- ETS expenditures, including in FFY2018 in which the program had more expenditures than in the previous two years. The Division is getting closer to expending the full amount of the Pre- ETS reserve funds, and is adjusting strategies and internal controls to continue closing that gap.

During Nevada VR's monitoring conducted by the Rehabilitation Services Administration (RSA) in September 2018, the Division was informed by RSA that their expectation related to expending the Pre-ETS reserve funds was simply to see increasing efforts and increased expenditures year-over-year until the VR program could expend the full reserve amount and do so in

a conscientious manner. RSA did not state that Nevada VR should immediately expend the full 15% reserve, but rather that they wanted to see progress toward that end. It was more important to RSA, and indeed to the Division, to ensure quality services are provided, and that Pre-ETS expenditures are reasonable, necessary, allocable and allowable, rather than to expend the full reserve without thought to those criteria.

Nevada DETR Response as of September 2020

Nevada VR has not been able to make progress on this finding. Nevada's Governor issued his Declaration of Emergency on March 12, 2020 due to the COVID-19 pandemic. Nevada VR offices were subsequently closed on March 17. The Governor issued a hiring freeze, which included contractors. Therefore, Nevada VR lost 3 of its 4 transition coordinators whose jobs were to liaison with schools to arrange for the delivery of Pre-ETS. Additionally, VR was considered "non-essential" in Nevada. With that status, Nevada VR was only able to resume delivering services to clients in mid-April when DETR provided Nevada VR with a cloud VPN solution so staff could work from home. Those services were of a limited scope, until recently. As of July, Nevada VR resumed delivering all services to clients, as needed and as available.

One of our contracted transition coordinators will be able to resume her duties as of August 31. Delivery of Pre-ETS will increase, however, due to the pandemic shutdown, Nevada VR will not have increased its delivery of Pre-ETS this year over the prior year.

Estimated Date of Completion: September 2022
Contact Person:
Shelley Hendren, Administrator, DETR Vocational Rehabilitation (VR) Division

Updated Nevada DETR Response as of February 2024

Nevada DETR Vocational Rehabilitation (VR) was issued a letter of noncompliance for pre-ETS by RSA in September 2023 and is currently in corrective action. DETR VR has an approved, by RSA, workplan as of 01/01/24, which identifies the necessary internal controls needed to be implemented or enhanced to meet the requirement.

DETR VR has made significant progress as it relates to meeting the 15% pre-ETS reserve requirement and is expected to meet it by the end of Federal Fiscal Year 2024. For example; DETR VR has been developing adequate infrastructure in each school district in the state to be able to deliver a variety of pre-ETS services to all students with disabilities in the State of Nevada. These efforts include exploratory and pre-ETS. As well as providing instruction to persons supporting students with disabilities and dissemination of information about innovative, effective, and efficient approaches to improve the transition of students with disabilities from school to postsecondary education or an employment outcome. VR has developed joint projects and programs with all school districts and major universities in the state. Examples of some of those pre-ETS services, projects and programs are:

- Practical Assessment Exploration System (PAES)- one of the main tools through which NV VRD delivers required Pre-ETS services in Nevada schools. The labs have a multi- year useful life with only having small annual expense for replacement of supplies. PAES labs are purchased using authorized funds and planned for after annual determination that adequate Authorized Pre-ETS funds are available.
- Pathful Explore (Virtual Job Shadow-VJS) - is a tool which in partnership with Nevada Department of Education, NV VRD uses to ensure availability of exploratory and introductory Pre-Employment transition services to all 14+ students with disabilities in Nevada who have an IEP or 504 Plan. VJS licenses are purchased annually using authorized funds and planned for after annual determination that adequate Authorized Pre-ETS funds are available.
- Transition coordinators who are available to provide push-in pre-ETS instruction to every school. These are contract positions, utilizing coordination activities to assist in the facilitation and delivery of Pre-ETS instruction in the classroom.
- NV VR Parent Academy - in collaboration with the NV Center for Excellence in Disability at University of Nevada Reno (UNR), Nevada VRD is developing a Parent Training Academy to help families of students with disabilities smoothly transition from secondary education to post-secondary and employment working with Nevada VR.
- Summer Camps for students with disabilities
- Two general Pre-ETS Summer Camps (Reno and Las Vegas)
- Blind Camp - expansion of Pre-ETS Summer Camps
- Deaf Camp- expansion of PreETS Summer Camps
- Transition Fair at UNLV
- VR Goggles - TransfrVR goggles are virtual reality instruments that are used to provide the Pre-ETS activity of job exploration counseling to potentially eligible and VR eligible students with disabilities in individual and group format. NV VRD Transition coordinators as well as other VRD staff proctor student experiences using the goggles.
- Project Discovery and iAchieve Life Skills Series- are complimentary, non-duplicative tools to the PAES Labs and have been provided to one pilot district to date.
- Summer Youth Internship Program (SYIP) - was expanded in summer of 2023 to include private employers. This program was established in 2018 and has seen a significant growth over the last two years in the number of students with disabilities who have been paired with internships across the state. Those clients ages 17-21 can earn an income and gain work experience over the summer, some of them landing full-time jobs at the completion of their internship. SYIP is planned for summer 2024.

SEA agreement was renewed and fully executed on February 3, 2023.

LEA agreements were revised in 2023 to follow the renewed SEA, and are pending signature:

- Clark County School District
- Washoe County School District
- Carson City School District
- Churchill County School District
- Douglas County School District

- Elko County School District
- Eureka County School District
- Humboldt County School District
- Lander County School District
- Lincoln County School District
- Lyon County School District
- Mineral County School District
- Nye County School District
- Pershing County School District
- Storey County School District
- White Pine County School District

DETR VR has updated its internal controls, policies, and procedures related to the coding, tracking, and monitoring ofpre-ETS. Additionally, VR has developed fiscal reports to appropriately determine and track the required 15% pre-ETS reserve. The reporting includes:

- Pre-ETS monthly expense report.
    - Displays current and projected federal year pre-ETS expenditures by the required, coordination, and authorized activities.
    - Displays current and projected level ofpre-ETS spending and where the agency sits as it relates to reaching the required 15%.
- Pre-ETS Internal Monitoring Report.
    - Document review consists of a random sampling of pre-ETS authorizations and payments:
    - Review of authorizations from the AWARE case management system to ensure obligations are being assigned to the appropriate federal fiscal year award.
    - Review of authorizations from the AWARE case management system to ensure services are being pre-authorized.
    - Review samples of paid expenditures to ensure payments are being assigned to the appropriate federal fiscal year award.

DETR VR has established a schedule for routine internal program auditing by our internal Quality Assurance Team.

- This will ensure that we keep our procedures in step with our policies.
- That Staff are following the policies and procedures.
- That the Statewide Transition Team is working most efficiently to achieve pre-ETS.

Management Analyst IV, Statewide Transition Coordinator, and District Manager I currently meeting bi-monthly. In this forum the following activities occur:

- Review reports and pre-ETS progress, invoices, and current trends for all activities related to the pre-ETS program.
- Monthly reporting to track current progress.
- Routinely review and monitor reports.
- Identify program and fiscal shortcomings.
- Escalate major concerns to Rehabilitation Administration.
- Brainstorm ideas for further implementing established processes, or new processes, to meet fiscal shortfalls based on current program and statewide needs (i.e., PAES labs in rural communities, etc.).

-
- Continuously identify areas for programmatic improvement including summer camps, internships, work-based learning opportunities, etc.

VR has developed policy, procedure, and reporting for purposes of determining compliance with the percentage of funds required to be reserved for the provision of pre-ETS authorized activities. Since the 15 percent reserve will not be a fixed number and may fluctuate based on our ability to match VR award funds, we will monitor client and expenditure data throughout the lifecycle of the award and adjust accordingly.

- Set-Aside Determination Report
    - Reporting includes total federal award drawn and matched, the pre-ETS 15% minimum requirement, the number of clients served, the cost per client for the provision of the pre-ETS activities, the federal funding used on pre-ETS activities (required/coordination/authorized), current and future year projections, etc.
- Set-Aside Determination Procedure
- Set-Aside Determination Policy

VR's Quality Assurance Team has conducted a robust review of the pre-ETS internal controls and procedures. The review has resulted in recommendations and technical assistance with development of compliant procedures and consistent with updates located in RSA's NOI on Pre- Employment Transition Services Flexibility Regarding the Use of Federal Vocational Rehabilitation Funds.

Estimated Date of Completion: September 2024

Status: Partially corrected.

2018-021, 2017-018, 2016-023, 2015-017:

U.S. Department of Education
Title I Grants to Local Educational Agencies, 84.010
Special Education Cluster:
Special Education-Grants to States, 84.027
Special Education-Preschool Grants, 84.173

Cash Management
Material Weakness in Internal Control over Compliance and Material Noncompliance

Initial Fiscal Year Finding Occurred: 2015

Finding Summary: The U.S. Department of the Treasury (Treasury) regulations at 31 CFR part 205, which define the Cash Management Improvement Act of 1990, as amended (Pub. L. No. 101-453; 31 USC 6501 et seq.), require State recipients to enter into Treasury-State Agreements that prescribe specific methods (funding techniques) for drawing Federal funds of selected large programs. The terms of the Treasury-

State Agreement specify that separate funding techniques must be followed for different expenditure types and that documentation is maintained to ensure compliance with the funding techniques.

The *OMB Compliance Supplement* requires that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal statutes, regulations, and terms and conditions of the Federal award.

Adequate documentation was not always available to support compliance with the cash management requirements of the OMB Compliance Supplement or that funds were drawn using the funding technique specified in the Treasury-State Agreement, where applicable.

The Nevada Department of Education (the Department) did not have adequate internal controls to ensure adequate supporting documentation was always maintained for Federal cash draws.

Incorrect amounts of Federal funds may be received and an interest liability could result.

A nonstatistical sample of six out of 29 Federal cash draws was selected for testing for Title I Grants to Local Educational Agencies. Adequate supporting documentation was not available to determine if the funding techniques were being followed for any of the Federal cash draws selected for testing.

A nonstatistical sample of nine out of 42 Federal cash draws was selected for testing for the Special Education Cluster. Adequate supporting documentation was not available to determine if the funding techniques were being followed for any of the Federal cash draws selected for testing under CFDA 84.027.

We recommend the Department enhance internal controls to ensure adequate supporting documentation is always maintained for Federal cash draws.

State's Response: Partial Corrective Action Taken: The NDE Internal Controls Manual was in finalized draft form effective June 30, 2023, and included controls applicable to federal cash draws. At the time of this update, this item has been corrected.

Status: Partially Corrected.

2018-030,
2017-035:

U.S. Department of Health and Human Services
Immunization Cooperative Agreements, 93.268
Block Grants for Prevention and Treatment of Substance Abuse, 93.959

Procurement, Suspension, and Debarment
Material Weakness in Internal Control over Compliance and Material Noncompliance

Initial Fiscal Year Finding Occurred: 2018 for Immunization Cooperative Agreements, 2017 for Block Grants for Prevention and Treatment of Substance Abuse.

Finding Summary: Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) requires contracts contain the applicable provisions described in Appendix II to Part 200 for contracts under Federal awards.

The *OMB Compliance Supplement* states that Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. Non-Federal entities may verify that a party is not suspended or debarred by checking the *Excluded Parties List System*, collecting a certification from the entity, or adding a clause or condition to the covered transaction vehicle.

Certain applicable provisions described in Appendix II to Part 200 were not included in contracts as required. Suspension and debarment verification procedures were not always performed prior to entering into covered transactions.

The Nevada Division of Public and Behavioral Health (the Division) did not have adequate internal controls to ensure contracts under Federal awards contained all of the applicable provisions and to ensure suspension and debarment verification procedures were always performed prior to entering into all covered transactions.

Contractors may not be aware of required terms and conditions and payments could be made to recipients who were suspended or debarred.

A nonstatistical sample of three contracts subject to Appendix II to Part 200 out of 219 procurement transactions was selected for testing for Immunization Cooperative Agreements. All three contracts were missing certain applicable provisions and no suspension and debarment verification procedures were performed for one of the recipients.

A nonstatistical sample of 40 procurement transactions out of 636 was selected for testing, including 12 contracts subject to Appendix II to Part 200 for Block Grants for Prevention and Treatment of Substance Abuse. Seven of the 12 contracts were missing certain applicable provisions and no suspension and debarment verification procedures were performed for one of the recipients.

We recommend the Division enhance internal controls to ensure all contracts under Federal awards contain the applicable provisions and ensure suspension and debarment verification procedures are performed prior to entering into all covered transactions.

State's Response: Reason for recurrence: Nevada State Purchasing Division has not updated the statewide contracts to include the applicable provisions described in Appendix II to Part 200 for contracts under federal awards. The agencies are required to use these contracts and therefore are subject to audit findings every year.

New corrective action: The Division of Public and Behavioral Health will continue to request that the State Purchasing Division include the required federal provisions for Appendix II to Part 200 specific to Suspension/Debarment, Anti-Lobbying, Federal Water Pollution and Clean Air/Clean Water Act in all statewide contract templates.

Partial corrective action taken: As of March 30, 2017, prior to entering into agreements with contractors or grant subrecipients, staff verifies that each party is neither suspended nor debarred through a review of the Excluded Parties List System.
As of March 30, 2017, the Department of Administration added language to its standard contract form regarding suspension and debarment and lobbying activities.
As of September 27, 2018, the Division received approval from the Department of Administration to add language to its contracts regarding the Clean Air Act and the Federal Water Pollution Control Act.
As of April 15, 2019, the State Public Works Division has updated the State Lease templates with the required federal language.
As of July 1, 2020, the Division has developed an annual process in State Fiscal Year 21 to conduct suspension and debarment verifications for all contractors that receive federal funds to ensure division-wide compliance of this requirement.

Date of Completion:
Statewide Contracts: Currently still pending State Purchasing Division approval.
Division Contracts: Corrected March 7, 2019.
Suspension and debarment Verification: Corrected July 1, 2020.

Status: Partially Corrected.

Sincerely,

Andy Matthews
State Controller

ANDY MATTHEWS
Controller

STATE OF NEVADA

JAMES SMACK
Chief Deputy Controller

NIELSINE SHERK, CPA
Deputy Controller-Financial Reporting

OFFICE OF THE
STATE CONTROLLER

CORRECTIVE ACTION PLAN FOR AUDIT FINDING

Audit Finding 2023-001

Finding: Analysis and review of financial reporting information received by the Controller's office from the various state agencies is not operating effectively. Moreover, the financial close and reconciliation process and related tasks to prepare the Annual Comprehensive Financial Report is not operating effectively.

Recommendation: We recommend the Controller's Office enhance the overall control environment surrounding the financial close process. At a minimum, we recommend the Controller's Office do so by developing (and actively maintaining) a complete timeline of tasks which includes:

- A listing of routine procedures that must be completed each year
- Who is responsible for completion of the procedures
- Who is responsible for review of the work performed
- A timeline and order of operations for those procedures and review to be completed
- A risk assessment and analytical process to review information from the agencies for reasonableness

Agency Response

Does the Agency Agree with Finding: Yes

Additional Comments: None

Corrective Action Taken or to be Taken

Action: The State Controller's Office will enhance and actively maintain a completed timeline for routine procedures. Additionally, all documents submitted to the State Controller's Office from other state agencies will be analyzed for reasonableness, compared to prior year balances, and checked for mathematical errors.

Date of Completion or Estimated Completion:
Estimated completion November 2025

Department or Agency Responsible for Corrective Action Plan

Agency: Controller's Office
Contact: Nielsine Sherk, Deputy Controller - Financial Reporting
101 N. Carson Street, Suite 5 Carson
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ANDY MATTHEWS
Controller

STATE OF NEVADA

JAMES SMACK
Chief Deputy Controller

NIELSINE SHERK, CPA
Deputy Controller-Financial Reporting

OFFICE OF THE
STATE CONTROLLER

CORRECTIVE ACTION PLAN FOR AUDIT FINDING

Audit Finding 2023-002

Finding: The Nevada College Savings Plan (Private Purpose Trust Fund) includes five separately issued savings plan financial statements. These separately issued financial statements are provided to the Controller's Office for compilation into the Private Purpose Trust Fund.

During our testing, it was noted the Private Purpose Trust Fund did not reconcile with the separately issued financial statements.

Recommendation: We recommend the Controller's Office enhance internal controls to present balances consistent with separately issued financial statements.

Agency Response

Does the Agency Agree with Finding: Yes

Additional Comments: None

Corrective Action Taken or to be Taken

Action: The State Controller's Office will provide policies, procedures, and training on the presentation of separately issued audited financial statements presented within the Annual Comprehensive Financial Report to staff involved with these statements.

Date of Completion or Estimated Completion:
Estimated completion November 2025

Department or Agency Responsible for Corrective Action Plan Agency:
Controller's Office
Contact: Nielsine Sherk, Deputy Controller - Financial Reporting
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ANDY MATTHEWS
Controller

STATE OF NEVADA

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JAMES SMACK
Chief Deputy Controller

NIELSINE SHERK, CPA
Deputy Controller-Financial Reporting

CORRECTIVE ACTION PLAN FOR AUDIT FINDING

Audit Finding 2023-003

Finding: Amounts originally recorded for the Treasurer's pool did not appropriately reconcile to the underlying bank statements and brokerage accounts within the pool.

Recommendation: We recommend the Controller's Office enhance internal controls to ensure unusual reconciling items within the bank reconciliation are appropriately investigated and resolved.

Agency Response

Does the Agency Agree with Finding: Yes

Additional Comments: None

Corrective Action Taken or to be Taken

Action: The State Controller's Office will review and enhance controls for unusual reconciling items within the State Treasurer's pool.

Date of Completion or Estimated Completion:
Estimated completion November 2025

Department or Agency Responsible for Corrective Action Plan

Agency: Controller's Office
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ANDY MATTHEWS
Controller

STATE OF NEVADA

JAMES SMACK
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OFFICE OF THE
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CORRECTIVE ACTION PLAN FOR AUDIT FINDING

Audit Finding 2023-004

Finding: The Controller's Office reconciles the bank accounts within the Treasurer's pool each month and has a significant tolerance for unreconciled variances.

The June 30, 2023 bank reconciliation for the Treasurer's Pool includes an unreconciled variance of $18,591,859 between the book balance and the bank balance. The bank balance was reconciled at $9,538,997 and the adjusted book balance was reconciled to $28,130,856.

In addition, we randomly selected the January 2023 bank reconciliation and were not able to see evidence of review by an individual independent of the preparer and the unreconciled variance was $20,704,887. The adjusted bank balance was reconciled at a deficit of $498,562,321 and the adjusted book balance at a deficit of $477,857,436 (deficit caused by significant outstanding electronic funds transfers that are included).

Lastly, the unreconciled variance continues to grow and may or may not relate to cumulative variances as reported previously:

- Finding 2019-005: $13,542,147
- Finding 2020-003: $7,691,973
- Finding 2021-004: $7,802,169
- Finding 2022-002: $19,331,785

Recommendation: We recommend the Controller's Office work with their ERP provider and banks to explore the viability of creating subledgers for each bank account and brokerage account that can be independently reconciled.

Although this would create additional reconciliations that would be needed, the challenges of eight commingled accounts within the same ledger account continue to pose a significant hurdle to remediating the unreconciled variances.

In addition, we recommend the Controller's Office set a tolerable variance limit to ensure clear accountability, while considering the cost/benefit of further investigation.

Lastly, we recommend the Controller's Office enhance internal controls to ensure all bank reconciliations are reviewed.

Agency Response

Does the Agency Agree with Finding: Yes

Additional Comments: None

Corrective Action Taken or to be Taken

Action: Approval for additional funding for an independent audit firm to assist in researching and resolving the bank reconciliation variance was approved in January 2024. The audit firm was engaged. We are seeking contract approval in August 2025, for additional funding for the independent audit firm's assistance.

Further review will occur to determine if subledgers for each bank account and brokerage account can be made to assist with the bank reconciliation.

Date of Completion or Estimated Completion:
Estimated completion March 2026

Department or Agency Responsible for Corrective Action Plan

Agency: Controller's Office
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ANDY MATTHEWS
Controller

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Chief Deputy Controller

NIELSINE SHERK, CPA
Deputy Controller-Financial Reporting

CORRECTIVE ACTION PLAN FOR AUDIT FINDING

Audit Finding 2023-005

Finding: The Housing Division reported cash on hand balances related to federal grants that are administered by the Housing Division. The Housing Division identified certain amounts as unearned revenue in the classification of the carry-forward balance. However, the Controller's office recorded the carry-forward balance as revenue, in error.

Recommendation: We recommend the Controller's Office enhance internal controls to ensure forward classifications reported by an agency are appropriately reflected in the year-end adjustment.

If the Controller's Office potentially disagrees with a classification reported by an agency, appropriate communication with the agency should occur to determine the ultimate disposition of the balance forward.

Agency Response

Does the Agency Agree with Finding: Yes

Additional Comments: None

Corrective Action Taken or to be Taken

Action: The State Controller's Office will provide policies, procedures, and training on forward classification transactions to staff involved with these adjustments.

Date of Completion or Estimated Completion:
Estimated completion November 2025

Department or Agency Responsible for Corrective Action Plan

Agency: Controller's Office
Contact: Nielsine Sherk, Deputy Controller - Financial Reporting
101 N. Carson Street, Suite 5 Carson
City, NV 89701
775-684-5677
nsherk@sco.nv.gov

ANDY MATTHEWS
Controller

STATE OF NEVADA

JAMES SMACK
Chief Deputy Controller

NIELSINE SHERK, CPA
Deputy Controller-Financial Reporting

OFFICE OF THE
STATE CONTROLLER

CORRECTIVE ACTION PLAN FOR AUDIT FINDING

Audit Finding 2023-006

Finding: The State of Nevada entered litigation with respect to the opioid epidemic in Nevada. Several of these lawsuits have been settled and the settlement recoveries are allocated in accordance with the One Nevada Agreement.

The One Nevada Agreement prescribes the allocation of recoveries to the State, litigating entities, and non-litigating entities within the State. The State's portion of the recoveries is recorded within the Resilient Nevada Fund. The litigating entity recoveries are recorded within the Intergovernmental Custodial Fund, and the non-litigating entity recoveries are recorded within the Miscellaneous – Attorney General Fund.

The Attorney General's Office prepares a schedule of the expected recoveries along with the dates the settlements reached.

The Controller's office did not originally reconcile, and record amounts related to Opioid recoveries in accordance with the One Nevada Agreement.

Recommendation: We recommend the Controller's Office enhance its understanding of the One Nevada Agreement allocations and enhance internal controls to ensure amounts are recorded in accordance with the one Nevada Agreement and U.S. GAAP.

Agency Response

Does the Agency Agree with Finding: Yes

Additional Comments: None

Corrective Action Taken or to be Taken

Action: The State Controller's Office have put in place controls to ensure the settlement amounts are tracked and recorded properly. The opioid-related settlement calculations for the subsequent year ended June 30, 2024, have been adjusted in order to comply with the one Nevada Agreement and U.S. GAAP.

Date of Completion or Estimated Completion:
Estimated completion July 2025

Department or Agency Responsible for Corrective Action Plan

Agency: Controller's Office
Contact: Nielsine Sherk, Deputy Controller - Financial Reporting
101 N. Carson Street, Suite 5 Carson
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nsherk@sco.nv.gov

ANDY MATTHEWS
Controller

STATE OF NEVADA

OFFICE OF THE
STATE CONTROLLER

JAMES SMACK
Chief Deputy Controller

NIELSINE SHERK, CPA
Deputy Controller-Financial Reporting

CORRECTIVE ACTION PLAN FOR AUDIT FINDING

Audit Finding 2023-007

Finding: Certain taxes are allocated to multiple funds as provided by statute. State agencies will allocate taxes on actual collection of tax. However, the Controller's Office is responsible for reconciling and allocating receivables across the multiple funds.

It was determined in the current year that the prior year allocation of receivables for cigarette tax, live entertainment tax, liquor tax, net proceeds of mines, unitary tax, sales and use tax, retail marijuana tax, and transportation connection tax were not appropriately allocated based on the underlying revenue allocations.

Recommendation: We recommend the Controller's Office enhance internal controls to ensure taxes receivable are allocated across the respective funds appropriately.

Agency Response

Does the Agency Agree with Finding: Yes

Additional Comments: None

Corrective Action Taken or to be Taken

Action: The State Controller's Office will review and enhance controls to ensure that the timing of revenue recognition and allocation are correct. Tax revenue will be analyzed more in depth to ensure that receivables are properly recorded and in the correct funds.

Date of Completion or Estimated Completion:
Estimated completion November 2025

Department or Agency Responsible for Corrective Action Plan

Agency: Controller's Office
Contact: Nielsine Sherk, Deputy Controller - Financial Reporting
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nsherk@sco.nv.gov

ANDY MATTHEWS
Controller

STATE OF NEVADA

JAMES SMACK
Chief Deputy Controller

NIELSINE SHERK, CPA
Deputy Controller-Financial Reporting

OFFICE OF THE
STATE CONTROLLER

CORRECTIVE ACTION PLAN FOR AUDIT FINDING

Audit Finding 2023-008

Finding: The Controller's Office is responsible for reconciling unclaimed property receipts and determining the amount to recognize as revenue and the amount to retain as a liability for amounts probable to be reclaimed and paid to claimants.

The Controller's Office did not appropriately adjust unclaimed property receipts for what should have been recorded as revenue and what was estimated to remain as a liability.

Recommendation: We recommend the Controller's Office enhance internal controls to ensure unclaimed property receipts are appropriately reconciled and allocated between revenue and the related liability.

Agency Response

Does the Agency Agree with Finding: Yes

Additional Comments: None

Corrective Action Taken or to be Taken

Action: The State Controller's Office will provide policies, procedures, and training on the calculation and adjustment for the unclaimed property.

Date of Completion or Estimated Completion:
Estimated completion November 2025

Department or Agency Responsible for Corrective Action Plan

Agency: Controller's Office
Contact: Nielsine Sherk, Deputy Controller - Financial Reporting
101 N. Carson Street, Suite 5 Carson
City, NV 89701
775-684-5677
nsherk@sco.nv.gov

ANDY MATTHEWS
Controller

STATE OF NEVADA

JAMES SMACK
Chief Deputy Controller

NIELSINE SHERK, CPA
Deputy Controller-Financial Reporting

OFFICE OF THE
STATE CONTROLLER

CORRECTIVE ACTION PLAN FOR AUDIT FINDING

Audit Finding 2023-009

Finding: Some transactions relating to the Nevada System of Higher Education are recorded within the General Fund for internal processing purposes. The Controller's Office is responsible for eliminating these transactions from the General Fund for financial reporting during the year-end close process as these amounts are reported by the Nevada System of Higher Education in their separately issued financial statements and by the State as part of the aggregate discretely presented component units. Therefore, certain transactions that are recorded within the General Fund must be eliminated to avoid duplication.

Recommendation: We recommend the Controller's Office enhance internal controls to ensure transactions related to the Nevada System of Higher Education are properly eliminated within the General Fund.

Agency Response

Does the Agency Agree with Finding: Yes

Additional Comments: None

Corrective Action Taken or to be Taken

Action: The State Controller's Office will provide policies, procedures, and training on eliminating transactions.

Date of Completion or Estimated Completion:
Estimated completion November 2025

Department or Agency Responsible for Corrective Action Plan

Agency: Controller's Office
Contact: Nielsine Sherk, Deputy Controller - Financial Reporting
101 N. Carson Street, Suite 5 Carson
City, NV 89701
775-684-5677
nsherk@sco.nv.gov

ANDY MATTHEWS
Controller

STATE OF NEVADA

JAMES SMACK
Chief Deputy Controller

NIELSINE SHERK, CPA
Deputy Controller-Financial Reporting

OFFICE OF THE
STATE CONTROLLER

CORRECTIVE ACTION PLAN FOR AUDIT FINDING

Audit Finding 2023-010

Finding: The Controller's Office is responsible for reporting capital asset activity in Note 7 and long-term debt activity in Note 9.

Software costs were originally reported as furniture and equipment and subscription based software beginning balances and additions were not reported accurately in Note 7.

Activity for lease liabilities, software subscription liabilities, and bond premiums were not reported accurately in Note 9. In addition, certain disclosures related to leased assets, amortization, and pledged revenues were also not accurately disclosed in Note 9.

Recommendation: We recommend the Controller's Office enhance internal controls to ensure disclosures in Note and Note 9 are accurate.

Agency Response

Does the Agency Agree with Finding: Yes

Additional Comments: None

Corrective Action Taken or to be Taken

Action: The State Controller's Office will review and enhance controls for leases and SBITA's to ensure they are disclosed properly within Notes 7 and 9 tables.

Internal Controls are already in place for Capital Assets related to software. There will be additional staff training on how to properly record software assets to ensure that internal controls are followed.

Internal Controls are already in place for bond premiums and pledged revenues. There will be additional staff training on how to properly record bonds to ensure that internal controls are followed.

Date of Completion or Estimated Completion:
Estimated completion December 2025

Department or Agency Responsible for Corrective Action Plan

Agency: Controller's Office
Contact: Nielsine Sherk, Deputy Controller - Financial Reporting
101 N. Carson Street, Suite 5 Carson
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nsherk@sco.nv.gov

ANDY MATTHEWS
Controller

STATE OF NEVADA

JAMES SMACK
Chief Deputy Controller

NIELSINE SHERK, CPA
Deputy Controller-Financial Reporting

OFFICE OF THE
STATE CONTROLLER

CORRECTIVE ACTION PLAN FOR AUDIT FINDING

Audit Finding 2023-011

Finding: Taxpayer payments are receipted into a clearing account prior to matching the payment to records, such as tax returns. Once records are matched, the payments are recorded (distributed) to the appropriate tax revenue.

During financial close, the tax clearing accounts are examined to determine the ultimate disposition (allocation) of the payments received for appropriate financial reporting.

The Controller's Office and the Department of Taxation did not adequately communicate information to allocate the remaining balances in the clearing accounts for appropriate financial reporting.

Recommendation: We recommend the Controller's Office and Department of taxation implement a process to analyze the clearing accounts and enhance internal controls to ensure the clearing accounts for unallocated taxes are appropriately allocated during financial close.

Agency Response

Does the Agency Agree with Finding: Yes

Additional Comments: None

Corrective Action Taken or to be Taken

Action: The State Controller's Office will review and enhance controls for the unallocated (undistributed) taxes, in coordination with the Department of Taxation.

Date of Completion or Estimated Completion:
Estimated completion November 2025

Department or Agency Responsible for Corrective Action Plan

Agency: Controller's Office
Contact: Nielsine Sherk, Deputy Controller - Financial Reporting
101 N. Carson Street, Suite 5 Carson
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775-684-5677
nsherk@sco.nv.gov

STATE OF NEVADA

DEPARTMENT OF TAXATION

MAIN OFFICE
3850 Arrowhead Drive
Carson City, Nevada 89706

JOE LOMBARDO
Governor

GEORGE KELESIS
Chair, Nevada Tax Commission

SHELLIE HUGHES
Executive Director

CORRECTIVE ACTION PLAN FOR AUDIT FINDING

Audit Finding 2023-011

Finding: Management is responsible for maintaining an effective system of internal control over financial reporting, and a crucial aspect of this is ensuring that clearing accounts are properly adjusted during the financial closing process. In this situation, taxpayer payments were initially deposited into a clearing account before being matched with tax returns. These payments were then distributed to the correct tax revenue accounts. During the financial close, these clearing accounts were supposed to be reviewed to allocate the remaining balances for proper financial reporting.

A lack of adequate internal controls meant that the Controller's Office and the Department of Taxation did not properly communicate, failing to allocate the remaining clearing account balances during the financial close. This led to several errors in the General Fund, including a $54,991,240 overstatement of unearned revenue, a $6,491,516 overstatement of unavailable revenue, a $44,716,548 overstatement of receivables, a $634,746 understatement of revenues, and an understatement of the beginning fund balance by $16,313,462.

Recommendation: We recommend the Controller's Office and Department of Taxation implement a process to analyze the clearing accounts and enhance internal controls to ensure the clearing accounts for unallocated taxes are appropriately allocated during financial close**.**

Agency Response: Recommendation accepted.

Corrective Action to be Taken

Action: The Department of Taxation will work with the Controller's Office on establishing procedures to enhance internal controls to analyze unallocated accounts and appropriately allocate prior to financial close.

Estimated Completion Date: 10/01/2025

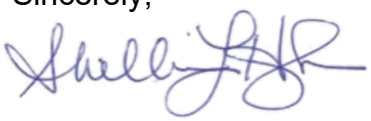
Department or Agency Responsible for Corrective Action Plan:

Department: Taxation

Contact: Mary Meyers, Deputy of Administration
3850 Arrowhead Dr., 2nd Floor
Carson City, NV 89706
775-684-2002
mmeyers@tax.state.nv.us

The Department appreciates this recommendation to help ensure appropriate reporting matters are considered.

Sincerely,



Shellie Hughes, Executive Director

Nevada Department of Taxation

STATE OF NEVADA

DEPARTMENT OF TAXATION

MAIN OFFICE
3850 Arrowhead Drive
Carson City, Nevada 89706

JOE LOMBARDO
Governor

GEORGE KELESIS
Chair, Nevada Tax Commission

SHELLIE HUGHES
Executive Director

CORRECTIVE ACTION PLAN FOR AUDIT FINDING

Audit Finding 2023-012

Finding: Based on the audit, the department did not have adequate internal controls to properly evaluate the collectability of delinquent tax receivables. The department's methodology for estimating uncollectible amounts was insufficient, as it failed to incorporate crucial information like actual subsequent collections, refunds, or payment plans. Instead, it relied on a broad, historical collection rate for all taxes, neglecting to consider data specific to older delinquent receivables.

This control deficiency led to a significant understatement of the allowance for uncollectible receivables, which required a revision and a $215,604,717 increase. The error subsequently caused the Controller's Office to report overstated receivables across several funds: General Fund was overstated by $115,843,414, State Education Fund by $41,642,065, and Intergovernmental Custodial Fund by $58,119,238, demonstrating a material impact on the accuracy of financial reporting.

Recommendation: We recommend the Department of Taxation implement new policies and internal controls to evaluate the collectability of receivables reported to the Controller's Office on an annual basis. These should include, at a minimum, consideration towards:

- Historical collections by age of receivable
- Currently known facts and circumstances

Agency Response: Recommendation accepted.

Corrective Action to be Taken

Action: The Department will implement new internal controls to evaluate collections of receivables based on age of receivable and known facts/circumstances to be reported to the Controller's Office on an annual basis.

Estimated Completion Date: 10/01/2025

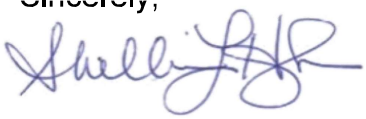
Department or Agency Responsible for Corrective Action Plan:

Department: Taxation

Contact: Erica Scott, Economist III
700 E Warm Springs Rd, 2nd Fl.
Las Vegas, NV 89119
702-486-3461
ericascott@tax.state.nv.us

The Department appreciates this recommendation to help ensure appropriate reporting matters are considered.

Sincerely,



Shellie Hughes, Executive Director

Nevada Department of Taxation

STATE OF NEVADA

DEPARTMENT OF TAXATION

MAIN OFFICE
3850 Arrowhead Drive
Carson City, Nevada 89706

JOE LOMBARDO
Governor

GEORGE KELESIS
Chair, Nevada Tax Commission

SHELLIE HUGHES
Executive Director

CORRECTIVE ACTION PLAN FOR AUDIT FINDING

Audit Finding 2023-013

Finding: Based on the audit, the department did not have adequate internal controls to ensure receivables were properly reported to the Controller's Office.

This control deficiency led to a significant overstated net proceeds of minerals and unitary taxes by $144,024,816. The error subsequently caused the Controller's Office to report overstated receivables across several funds: General Fund was overstated by $1,426,493, State Education Fund by $10,307,066, Consolidated Bond Interest and Redemption Fund by $8,355,212 and Intergovernmental Custodial Fund by $123,936,045 demonstrating a material impact on the accuracy of financial reporting.

Recommendation: We recommend the Department of Taxation implement new policies and internal controls to evaluate the collectability of receivables reported to the Controller's Office on an annual basis. These should include, at a minimum, consideration towards:

- Historical collections by age of receivable comparison
- Currently known facts and circumstances

Agency Response: Recommendation accepted.

Corrective Action to be Taken

Action: The Department will review a historical comparison of receivables compared to current year and known facts and circumstances of the current year to provide accurate and complete information to the Controller's Office on an annual basis.

Estimated Completion Date: 10/01/2025

Department or Agency Responsible for Corrective Action Plan:

Department: Taxation

Contact: Jeffrey Mitchell, Deputy Director of Excise and Local Government
3850 Arrowhead Dr., 2nd Floor
Carson City, NV 89706
775-684-2095
jmitchell@tax.state.nv.us

The Department appreciates this recommendation to help ensure appropriate reporting matters are considered.

Sincerely,

Shellie Hughes, Executive Director

Nevada Department of Taxation

NEVADA DIVISION OF FORESTRY

STATE OF NEVADA
Department of Conservation & Natural Resources
Joe Lombardo, *Governor*
James A. Settelmeyer, *Director*
Kacey KC, *State Forester/Firewarden*

CORRECTIVE ACTION PLAN FOR AUDIT FINDING

Audit Finding 2023-014

Finding: The Nevada Division of Forestry (NDF) did not accurately report the unbilled receivables to the Controller's Office in which reimbursable expenditures had occurred.

Recommendation: We recommend the Division of Forestry enhance internal controls to track and monitor unbilled fire suppression receivables to ensure accurate reporting to the Controller's Office.

Agency Response

Does the Agency Agree with Finding: Yes

Additional Comments: None

Corrective Action Taken or to be Taken

Action: This finding is duplicative. It was originally brought up in LCB audit LA26-04 and has been addressed. NDF updated policies and procedures through staff CPM pursuits. NDF's past standard practice was to report the accounts receivable for reimbursable fires when the invoice was sent for reimbursement. NDF corrected this in the recently completed policies and procedures.

Date of Completion or Estimated Completion: January 2025

Department or Agency Responsible for Corrective Action Plan

Agency: Nevada Division of Forestry
Contact: Pat Misch, Administrative Services Officer IV
901 S. Stewart St, Suite 1001
Carson City, NV 89701
775-684-2521
p.misch@forestry.nv.gov

Joe Lombardo
Governor

Joy Grimmer
Director

Mandy Hagler
Deputy Director

William Taylor
Administrator

STATE OF NEVADA
DEPARTMENT OF ADMINISTRATION
515 E. Musser Street | Carson City, Nevada 89701
Phone: (775) 684-0299 | admin.nv.gov | Fax: (775) 684-0298

CORRECTIVE ACTION PLAN FOR AUDIT FINDING

August 7, 2025

Audit Finding 2023-015

Finding: The Department of Administration did not have adequate Internal controls to ensure the value of inventory was reasonable.

Recommendation: We recommend the Department of Administration enhance internal controls to ensure the value of inventory is reasonable**.**

Agency Response

Does the Agency Agree with Finding: Yes

Additional Comments: This finding (2023-015) is a unique situation resulting from the National COVID Emergency. In this instance, the Purchasing Division's Surplus Inventory Warehouse inherited the PPE inventory and its associated value, as reported by the Nevada Division of Emergency Management.

Corrective Action Taken or to be Taken

Action: The Purchasing Division will update our internal control to ensure that, in the event of acquiring inventory from another agency, we receive records reflecting accurate quantities and pricing.

Date of Completion or Estimated Completion: Estimated completion, August 29, 2025

Department or Agency Responsible for Corrective Action Plan

Agency: Department of Administration – Purchasing Division

Contact: William Taylor, Administrator
515 E. Musser Street, Suite 300
Carson City, NV 89701
775-515-5173
BTaylor@admin.nv.gov

Joe Lombardo
Governor

NEVADA HEALTH AUTHORITY
DIRECTOR'S OFFICE
4070 Silver Sage Drive
Carson City, NV 89701
NVHA.NV.GOV

Stacie Weeks
Director

August 8, 2025

TO: Kurt Schlicker, CPA, Eide Bailly

SUBJECT: NVHA Response to State of Nevada Finding 2023-016

Please consider this the Nevada Health Authority's (NVHA) response to State of Nevada Finding 2023-016.

Finding #: 2023-0016

Summary of Finding: Capitation Payments Material Weakness

Nevada Health Authority did not have adequate internal controls to ensure capitation payment periods were appropriately identified and communicated to the Controller's Office.

The following errors were noted in the General Fund:

- Understatement of prepaid expenses by $214,342,210
- Understatement of expenses by $23,158,071
- Understatement of beginning fund balance by $237,500,281

We recommend the Nevada Health Authority enhance internal controls to ensure capitation payment periods are appropriately identified and communicated to the Controller's Office.

Response: NVHA agrees with this finding and recommendation.

Corrective Action Description: NVHA will enhance internal controls to ensure capitation payment periods are appropriately identified and communicated to the Controller's Office. NVHA will provide the Capitation History Summary report (provided by our fiscal agent, Gainwell) on an annual basis, every July, for the prior fiscal year that details the dollar amount, date of payment, and applicable capitation month for each capitation payment via email to the Controller's Office.

Anticipated Completion Date of Corrective Action: August 2025

Department or Agency Responsible for Corrective Action Plan:
Division of Nevada Medicaid
Russ Steele, Audit Manager
4070 Silver Sage Drive
Carson City, Nevada 89701
rsteele@nvha.nv.org

Sincerely,

Stacie Weeks, Director
Nevada Health Authority

STATE OF NEVADA
DEPARTMENT OF TRANSPORTATION
1263 S. Stewart Street
Carson City, Nevada 89712

JOE LOMBARDO
Governor

TRACY LARKIN-THOMASON, P.E., *Director*

CORRECTIVE ACTION PLAN FOR AUDIT FINDING

Audit Finding 2023-017

Finding:

■ The Department of Transportation is responsible for maintaining a capital asset roll-forward for projects it manages, which are typically construction in progress related to infrastructure (i.e., roads) and completed infrastructure. This roll-forward is provided to the Controller's Office and ultimately considered within the State's aggregate capital asset activity. Amounts provided in the roll-forward by the Department of Transportation were not accurate for construction in progress and completed infrastructure.

Recommendation: We recommend NDOT implement a review process of the roll-forward prior to providing it to the Controller's Office.

The roll-forward review should, at a minimum, consider unusual relationships such as:

- Transfers out of construction in progress not matching Transfers in (additions) to completed assets
- Significant adjustments to capacity (final voucher) amounts with no beginning construction in progress or project balance.
- Significant adjustments to capacity (final voucher) amounts where the addition to completed infrastructure is higher than the construction in progress project total.

Agency Response

Does the Agency Agree with Finding: Yes

Additional Comments: While there are instances where unusual relationships may exist between construction in progress and additions to infrastructure, leading to legitimate mismatches in the data, these unusual relationships should be carefully reviewed to ensure accuracy of the data.

Corrective Action Taken or to be Taken

Action to be Taken: NDOT will institute a review process of the report of construction in progress and infrastructure assets, with special attention to the roll-forward and unusual relationships noted above, prior to submittal of this data to the Controller's Office.

Date of Completion or Estimated Completion: October 1, 2025

STATE OF NEVADA
DEPARTMENT OF TRANSPORTATION
1263 S. Stewart Street
Carson City, Nevada 89712

JOE LOMBARDO
Governor

TRACY LARKIN-THOMASON, P.E., *Director*

Department or Agency Responsible for Corrective Action Plan

Agency: Nevada Department of Transportation
Contact: Felicia Denney, Assistant Director, Administration
775-888-7440
fdenney@dot.nv.gov

Joe Lombardo
Governor

James E. Dzurenda
Director

Kitty DeSocio, MSM, CGFM
Deputy Director Of Support Services

Northern Administration
5500 Snyder Ave.
Carson City, NV 89701
(775) 977-5500

Southern Administration
3955 W. Russell Rd.
Las Vegas, NV 89118
(725) 216-6000

STATE OF NEVADA
Department of Corrections

CORRECTIVE ACTION PLAN FOR AUDIT FINDING

Audit Finding 2023-18

Finding: No reconciliation of payroll occurred during fiscal year 2023 by the Department of Corrections in accordance with the State of Nevada internal control policy

Recommendation: We recommend the Department of Corrections follow the State of Nevada payroll reconciliation internal control policies.

Agency Response

Does the Agency Agree with Finding: Yes

Additional Comments: None

Corrective Action Taken of to be Taken

Action: Department of Corrections will update the internal control procedures to ensure reconciliation of payroll is in accordance with the State of Nevada Internal Control Policy.

Date of completion or Estimated Completion: Estimated completion July 2026

Department or Agency Responsible for Corrective Action Plan

Agency: Department of Corrections

Contact: Kitty DeSocio, MSM, CGFM
5500 Snyder Ave
Carson City, NV 89701
(775) 977-5616

CORRECTIVE ACTION PLAN OF AUDIT FINDING

Date:	August 5, 2025
Finding Number:	**2023-019 – Significant Deficiency**
Finding:	No reconciliation of payroll occurred during fiscal year 2023 by the State of Nevada Department of Health and Human Services (DHHS), in accordance with the State of Nevada internal control policy.
Corrective Action Taken or To Be Taken:	The Division has added additional internal controls and updated the agencies procedures to incorporate the missing reconciliation steps as required by the State of Nevada Central Payroll Department to include the Employee Paycheck Analysis in HRDW.
If to be taken, estimated date of completion:	The Division implemented the reconciliation procedure March 19, 2024.

Agency Response

Does the Agency agree with finding: Yes _X_ No _____ Partial _____

If No or Partial, please Explain reason(s) why: N/A

Individual Responsible for Corrective Action Plan:

Name, Title: Sophia Allec, Administrative Services Officer IV
Phone Number: 775-684-4016
Email: sallec@dhhs.nv.gov

Reviewed and Approved

Christina K Hadwick — 08/05/2025

Christina Hadwick, Deputy Director, Fiscal — Date

STATE OF NEVADA

JOE LOMBARDO
Governor

DR. KRISTOPHER SANCHEZ
Director

STEVE AICHROTH
Administrator

DEPARTMENT OF BUSINESS AND INDUSTRY
HOUSING DIVISION

Corrective Action Plan

Audit Finding: 2023-020 Housing Division – Recognition of Receivables and Amortization Expense in Proper Period
Material Weakness

Summary: *The Nevada Housing Division ("Division") did not have adequate internal controls to ensure that the Home is Possible Teach Grants and related amortization expense were properly recorded in the proper period.*

Recommendation: *Enhance internal controls for the proper review of the financial statement balances to ensure they are appropriately recorded.*

Agency Response: The Division agrees with the finding and made the necessary adjustments.

Corrective Action:
For an immediate solution, the worksheets were revised such that the amortizations were calculated correctly, with input, review and approval from the external auditors (Eide Bailly).

The interim Chief Accountant trained other senior staff to function as backups in processing amortizations. Additionally, the Chief Accountant recalculated and reprocessed program fee revenues and adjusted beginning and ending net positions.

For a long-term solution, the Division has established an internal audit and compliance committee to enhance oversight of existing policies for assessing risk (which include verifying suspension or debarment), monitoring and sharing best practices across its business. Additionally, the Division fiscal unit is hiring an Auditor III position to further enhance internal controls and financial review.

Adoption of Corrective Action: January 2024

Division Contact and Corrective Action Plan Lead:
Christine Hess, Chief Financial Officer
Nevada Housing Division
775-687-2249
chess@housing.nv.gov

ANDY MATTHEWS
Controller

STATE OF NEVADA

JAMES SMACK
Chief Deputy Controller

NIELSINE SHERK, CPA
Deputy Controller-Financial Reporting

OFFICE OF THE
STATE CONTROLLER

CORRECTIVE ACTION PLAN FOR AUDIT FINDING

Audit Finding 2023-021

Finding: The Controller's Office is responsible for converting governmental fund balances to government-wide governmental activity balances. During this conversion process, a settlement liability was recorded for a liability that had already been paid in a prior year.

Recommendation: We recommend the Controller's Office enhance internal controls to provide for the review and evaluation of conversion entries to ensure entries are properly recorded.

Agency Response

Does the Agency Agree with Finding: Yes

Additional Comments: None

Corrective Action Taken or to be Taken

Action: The State Controller's Office will provide policies, procedures, and training on the conversion entries to staff involved with these adjustments.

Date of Completion or Estimated Completion:
Estimated completion January 2025

Department or Agency Responsible for Corrective Action Plan

Agency: Controller's Office
Contact: Nielsine Sherk, Deputy Controller - Financial Reporting
101 N. Carson Street, Suite 5 Carson
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nsherk@sco.nv.gov

JOE LOMBARDO
Governor

STATE OF NEVADA

J.J. GOICOECHEA, DVM
Director

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Las Vegas, NV 89104-4211
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Fax (702) 668-4567

Elko Office:
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Elko, NV 89801-4672
(775) 753-1360
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DEPARTMENT OF AGRICULTURE
405 South 21st Street
Sparks, Nevada 89431-5557
Telephone (775) 353-3601 Fax (775) 353-3661
Website: http://www.agri.nv.gov

September 8, 2025

Kurt Schlicker, CPA
Partner
Eide Bailly LLP
5441 Kietzke Ln., Ste. 150
Reno, Nevada 89511

Dear Mr. Schlicker:

The Nevada Department of Agriculture has reviewed the draft audit report received September 4, 2025, related to the below finding for Reporting Material Weakness in Internal Control over Compliance and Material Noncompliance. This letter contains the NDA's Corrective Action Plan (CAP) response to the audit findings and recommendations in the report.

Program Name: US Dept. of Agriculture, Child Nutrition Cluster
School Breakfast Program, 10.553
National School Lunch Program, 10.555
Special Milk Program for Children, 10.556
Summer Food Service Program for Children, 10.559
Fresh Fruit and Vegetable Program, 10.582
Assistance Listing Numbers: 10.553, 10.555, 10.556, 10.559, and 10.582
Finding Number: 2023-022

Summary of finding: Required subaward information was not reported in the FFATA Subaward Reporting System (FSRS). The Nevada Department of Agriculture (NDA) did not have internal controls to ensure subaward information was submitted in accordance with the FFATA.

Recommendation: The State agency should implement internal controls to ensure subaward information is submitted in accordance with the FFATA.

CAP Response:
The agency agrees and accepts this finding and will take the following steps to enhance internal controls to ensure compliance: The agency will identify appropriate staff with system access to SAM.gov to report FFATA subaward information and request access for additional staff if needed. Staff will begin reporting FFATA information on October 1, 2025.

JOE LOMBARDO
Governor

STATE OF NEVADA
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Director

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Anticipated date of completion:
March 31, 2026

CAP Contacts:
Cathy Balcon, Administrator, Division of Administration
Patricia Hoppe, Administrator, Division of Food and Nutrition

Sincerely,

Patricia Hoppe
Administrator
Your contact information

State of Nevada **Year 2023**
Department of Employment, Training and Rehabilitation (DETR)
Responses to Single Audit Findings

For the Year Ended June 30, 2023

U.S. Department of Labor

Unemployment Insurance	**17.225**
COVID-19 Unemployment Insurance	**17.225**

CORRECTIVE ACTION PLAN

Reporting

Finding 2023-023

Amounts reported on the ETA 9130 report did not agree to underlying financial records. A nonstatistical sample of 11 out of a population of 70 ETA 9130 reports was selected for testing. An error was noted on one of the reports tested as follows:

Quarter Ended March 31, 20223 (UI39335OB0)

	Amount Reported	Amount Per General Ledger
Federal Share of Expenditures	$11,551,039	$10,567,850

Recommendation

We recommend the DETR enhance the internal controls to ensure amounts reported agree to underlying records.

Nevada DETR's Response

This was an error due to a prior staff member not interpreting data correctly from the pivot table. DETR has since changed the formatting of pivot tables to be uniform and labeled for more clarity. Attached are the updated procedure and draft internal control for all 9130 reports.

Estimated Date of Completion: **COMPLETED**

Contact Person: Zach Hoefling, Chief Financial Officer, *DETR/ESD (775)684-3952*

z-hoefling@detr.nv.gov

ATTACHMENTS TO FINDING 2023-023

Sum of Amount	Column Labels										
	2023										Grand Total
Row Labels	1722523C	1722523E	1722523L	1722523M	1722523R	1722523S	1722523T	1722523V	1722523X	1722523Y	
3272							0.00				0.00
22							0.00				0.00
3273							18,493.70	(1,183.53)			17,310.17
22							55,030.45	15,878.21			70,908.66
31							(36,536.75)	(17,061.74)			(53,598.49)
4230							(36,536.75)	(17,061.74)			(53,598.49)
3274	101,060.63	100,201.77	93,348.53	96,791.18	12,896.65	95,006.07	86,415.15	46,081.13			631,801.11
22	173,601.48	156,923.15	99,920.47	100,532.00	37,411.17	105,366.08	213,285.20	235,260.40			1,122,299.95
31	(72,540.85)	(56,721.38)	(6,571.94)	(3,740.82)	(24,514.52)	(10,360.01)	(126,870.05)	(189,179.27)			(490,498.84)
4232	(72,540.85)	(56,721.38)	(6,571.94)	(3,740.82)	(24,514.52)	(10,360.01)	(126,870.05)	(189,179.27)			(490,498.84)
4770	39,753.47	0.00	51,639.25	1,853.70		0.26	0.00	0.46			93,247.14
22	39,753.47	0.00	51,639.25	1,853.70		0.26	0.00	0.46			93,247.14
4772	210,880.25	117,395.59	185,221.65	133,805.36	14,702.90	106,049.50	199,020.66	15,982.17	126.97	4.33	983,189.38
22	1,854,081.47	827,445.46	1,873,759.56	926,039.98	104,704.84	719,484.05	1,848,287.99	666,036.11	240,024.79	9,526.48	9,069,390.73
31	(1,643,201.22)	(710,049.87)	(1,688,537.91)	(792,234.62)	(90,001.94)	(613,434.55)	(1,649,267.33)	(650,053.94)	(239,897.82)	(9,522.15)	(8,086,201.35)
3540	(1,643,201.22)	(710,049.87)	(1,688,537.91)	(792,234.62)	(90,001.94)	(613,434.55)	(1,648,347.33)	(650,053.94)	(239,897.82)	(9,522.15)	(8,085,281.35)
4203							(920.00)				(920.00)
4773							(769.86)	0.00			5,681.52
22			3,250.30		83,121.15		1,177.51	641.76			88,190.72
31			(3,310.20)		(76,609.87)		(1,947.37)	(641.76)			(82,509.20)
4234			(3,310.20)		(76,609.87)		(1,947.37)	(641.76)			(82,509.20)
Grand Total	351,694.35	217,537.46	330,209.43	238,961.52	27,599.55	201,055.83	303,159.65	60,880.23	126.97	4.33	1,731,229.32

	Revenue	Expenditures	
	(8,085,281.35)	9,070,310.73	
		983,189.38	4772
		427,456.43	4772 Accruals
		322,042.81	1722522C-Y
		748,039.94	
		11,551,039.29	Accumulated

Date	(Multiple Items)		
Sum of Amount	Column Labels		
Row Labels	22	31	Grand Total
21027A21	3,890,379.58	(1,898,296.01)	1,992,083.57
LVADMN	19,819.50		19,819.50
LVCAS3	(341.70)		(341.70)
PI2	301,688.50	(4,516,969.80)	(4,215,281.30)
(blank)	59.25		59.25
Grand Total	4,211,605.13	(6,415,265.81)	(2,203,660.68)
	(3,890,379.58)		
	(59.25)		
	321,166.30	Recipient Share	

Department of Employment, Training and Rehabilitation (DETR)
Financial Management (FM)

Reporting Procedures

(Step by Step)

Federal Reports

Disclaimer: Each grant is unique and has different requirements for reporting for the 9130 Federal Reporting. It is the responsibility of the Preparer to know the specificities of the grant they are preparing the report for.

If you are unsure of a grants requirements, check with the Budget Manager and/or the Grant Agreement on what the ALLOWABLE REORTABLE EXPENSES are.

When Creating reports:

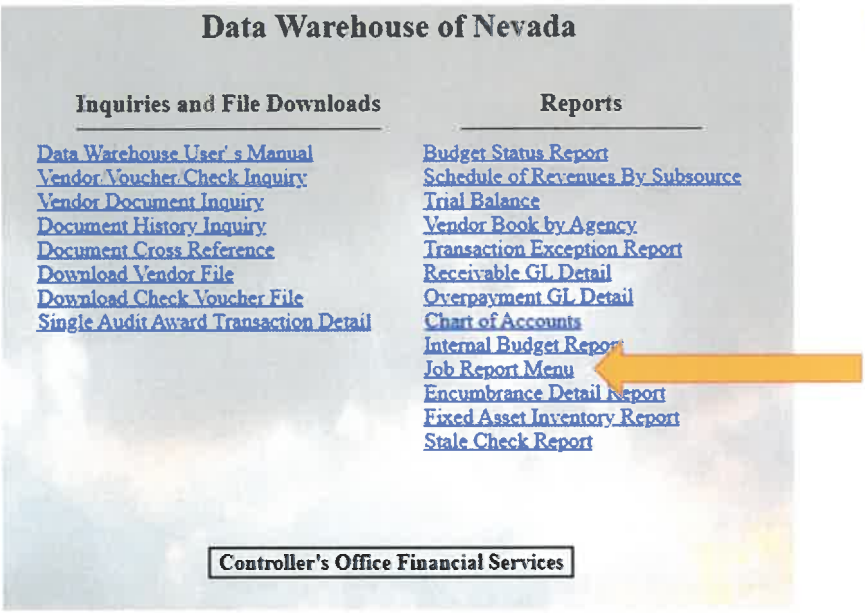
You should know what reports you are responsible for and when they are due

1. Preparers receive notification(s) that quarterly reports are coming due
2. Start preparing data for reporting
    1) Go to the Grant Reports Log (DETR-FM Grant Reporting Master Log 2023) to see what reports you are responsible for.
    2) Find the Grant & Job Numbers associated with the grant
    3) Go to DAWN (or DETR IFS)
    4) In DAWN, download a job details report

Note: Each grant has its own nuances and different analysis that happen

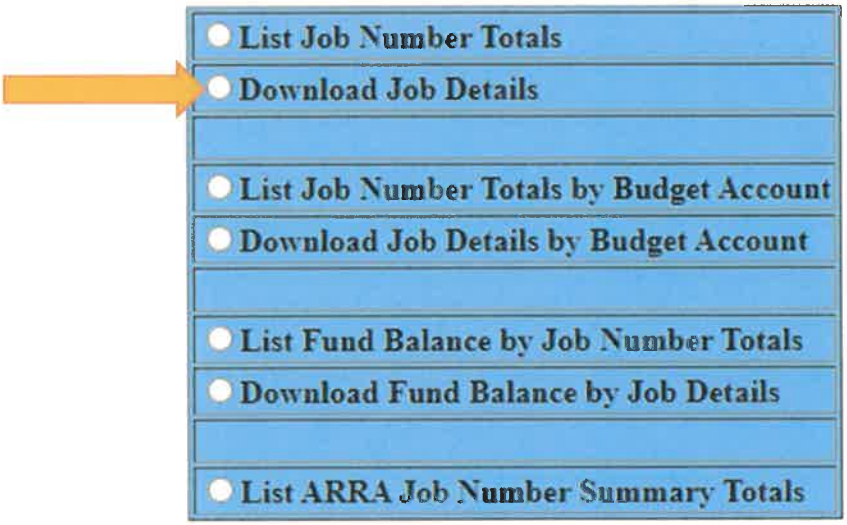
Always a good idea to refer to past reporting

Note: You may need to wait for payroll to hit, before pulling report. Will need to determine dates worked in/$$ accrued during QTR reporting on.
>> payroll hits Tuesday following timesheet submission



Job Report Menu

Note: Information available on the following reports begins with Fiscal Year 2001.
For information prior to FY01, you must refer to your hard copy 74.0 reports.



Note: Pay attention to the dates for reused job numbers. May need to adjust report details (dates)

Reports are snapshots in time. It is ok if you miss an accrued expense. It will catch up on the next QE report.

5) The report will open in excel. Remove all (')
6) Save the report **in grant reporting folder, as an Excel Workbook (not Comma)
7) Repeat steps 4) & 5) for each Job# and add each report to the 1st workbook saved.
8) Filter worksheet/sort by date (oldest – newest)
   *Here is where you will identify Accrued Expenses
9) Find where Quarter ends, cut anything after that and put in into a new worksheet (in the workbook) & add headers
10) Rename tabs
    a) Pivot Tables (added later)
    b) Actuals
    c) Accruals
11) On the Accrual worksheet, sort out salary GLs or CATs
    1) Remove non-accrual expenses (anything accrued after quarter end)
12) Go through other CATs, repeat (sort & remove non-accruals)
    - Descriptions can provide dates of accrual
    - Fiscal Quarter column shows when expense was paid (not when it was accrued)
    - Include stale claims (even though they were accrued in previous quarters, they were just paid in this quarter)

Note: Click & delete each line separately (because of filters)

Will need to add this next to the Pivot table (from Pivot Table created from Accruals worksheet)

13) Remember to take filters off
14) Start Pivoting to analyze data (on new worksheet)
Pivot Table Guidelines

	Actuals		Accruals
Filters	Budget Account		Same
Columns	Job Number	Account Type	
Rows	Budget Account	GL	
Values	Sum of Amount		

Note: want to see revenue/expenses for the "home" budget account

- Remove "blank" columns (if empty)
- If there is an amount in the "blank" columns, the expense has not been coded. Make a note & check with the Account Tech for that budget.

15) Insert separate tables for each job number

Note: Row titles will vary depending on the requirements of the Grant reporting on

	JOB #1 Actuals		JOB #1 Accruals	
Revenue				
Expenses				
Administrative				
Indirect				
_____				
_____				

	JOB #2 Actuals		JOB #2 Accruals	
Revenue				
Expenses				
Administrative				
Indirect				
_____				
_____				

16) Add Summary Table, Titled: "FY## (Program) QE(date)"

Revenue should not exceed Expenditures

Receipts	
Expenditures	(Total accrued)

17) If Revenue is more than the Expenses or the Job # is over-expended:
    1) May need to ask Account Techs to do JVs
    Note: JVs do not need to be completed before you can submit report. Just make sure to notate on the data source worksheet what is being done. And when the JVs are done, add the document numbers & any additional information to this note (for auditing purposes).
18) Print data worksheet to PDF
*Make sure to format for "printing", using custom margins.
*This data (Pivot Table) with labels, MUST be attached as back up to the report.
* the File location should also be included

3. Log into PMS
4. From the Dashboard, go to "Menu" and continue to the Federal Financial
5. Reporting
6. Click "Federal Financial Report"
7. Search & select Report
   Note: You can search for all reports by beginning letters of the Federal Grant ID (i.e. for all reports beginning with ES, enter "ES*" in the Federal Grant ID box and click "Search".)
8. Select report available to be completed, using "action buttons"
9. Double check pre-populated information
   Note: if information does not match your data
   1) Leave system alone (Federal data is Federal data)
   2) Notify the Account Tech
   3) Do NOT need to figure out, but can if you would like
   4) *Add note to Source Data Worksheet
10. Complete the report by entering the QE data
11. Enter name for who prepared the report (you)
12. Save
13. Print to PDF and combine with data document (in folder)
    Note: You will need to go out to the grant report list and use the action buttons to "print" *as a PDF
    *This data should include the final Pivot Table with labels and MUST be attached as back up to the report.
    * The File location should also be included
14. Go back into the 9130 and "submit" the report
    Note: this will notify the "Certifier" (GPA1) that the report has been submitted. The report will not be certified until it is reviewed by the Reviewer and approved by the CFO.
15. Put PREPARER stamp on PDF
16. Send to Reviewer

Note: Before you can view/prepare/certify a report in PMS, you must log in and update your privileges.
To do so,
1. Click "Menu"
2. Select "User Account Maintenance"
3. Select "Update Privileges"
4. Scroll down to the "Financial Report DOL ETA-9130" and check boxes that apply to you

If the grant has been fully expended, make sure to click "yes" for "Final Report" and submit as the Final Report for this grant. This does not make this the Closeout Report; which will need to be completed after the grant closeout date.

When Reviewing reports:
1. Receives notification report is ready to be "reviewed"
2. Crosswalk data
   - Report vs Expenditures (data provided by preparer)
3. Put REVIEWER stamp on PDF
4. Send to GPAI to obtain CFO's signature & certify the report

Resources for submitting 9130 Federal Reports in PMS:
- DOL ETA-9130 Grant Recipient User Guide: https://pmsapp.psc.gov/pms/app/help/ffr/doleta_grantee_instructions.html
- "bootleg" recording of DOL ETA-9130 FFR Webinar & Demo: S:\fm\POLICIES & PROCEDURES\FM Grants and Projects Analyst\PCN2079 - GRANTS\01 Training\PMS 9130 Reporting

Saving Federal Reports

- Backup data is saved to: S:\fm\4770 ESD\Reports\9130 Federal Reporting\9130 Backup Data, in the quarter ending folder
- Certified reports with backup attached are saved to: S:\fm\4770 ESD\Reports\9130 Federal Reporting\9130 Quarterly Reports, in the quarter ending folder
- Naming convention for certified 9130 reports: *Grant Number, Grant Name, QE date, "CERTIFIED", submission date*

DETR – Financial Management (FM)

Federal Financial Reporting (SF-9130) — Procedural Policy

Effective Date: TBD
Revision Date: TBD
Reference: 5d.1

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1) Purpose

Establish uniform requirements, roles, and internal controls for preparing, reviewing, certifying, submitting, and storing quarterly SF-9130 Federal Financial Reports (FFR) for all DETR grants.

2) Scope

Applies to all DETR FM personnel involved in federal reporting, including Preparers, Reviewers, Account Technicians, Budget Managers, GPA1 (Certifier), CFO, and FM leadership. Covers data compilation, accrual methodology, reconciliation, PMS system reporting, certification, and records management.

3) Guiding Principles & Controls

- **Grant-specific compliance:** Each grant may impose unique reporting rules. Preparers must consult the Grant Agreement and Budget Manager to confirm **allowable reportable expenses** before compiling the FFR.
- **Segregation of duties:** Preparation, review, and certification are performed by separate roles.
- **Authoritative data:** PMS pre-populated federal data is authoritative. Discrepancies are documented and escalated; staff do not override federal system data to force agreement.
- **Audit trail:** All decisions, adjustments (e.g., JVs), and variances are documented on the source data worksheet and preserved with the report package.
- **Completeness & accuracy:** Actuals and accruals are compiled consistently across Job Numbers, with evidence supporting calculations and cut-off.
- **Timeliness:** Reporting meets federal deadlines; internal cutoffs ensure adequate time for review and certification.
- **Standardization:** FM uses standardized workbooks, pivots, summary tables, naming conventions, and stamps to ensure consistency.

4) Roles & Responsibilities

- **Preparer**
  - Confirms assignment in the DETR-FM Grant Reporting Master Log.
  - Compiles Actuals and Accruals by Job Number using DAWN/DETR IFS data.
  - Applies standard analysis (pivot structures), prepares the report package, and records pending/posted JVs.
  - Completes draft FFR in PMS and routes package for review.

- **Reviewer**
    - Performs an independent crosswalk of PMS report values to the source data workbook.
    - Challenges unusual variances; confirms accrual logic, stale claims, and cut-off.
    - Applies **REVIEWER** stamp and routes to GPA1 for CFO certification.
- **Account Technician**
    - Resolves miscoding, blank GLs, or unassigned accounts; processes JVs as requested.
- **Budget Manager**
    - Advises on allowable costs; validates reasonableness of results for the program.
- **GPA1 (Certifier) & CFO**
    - Verifies completeness, approves, and certifies FFR in PMS.
- **FM Director/Leadership**
    - Monitors compliance, ensures training, updates this policy, and oversees remediation of control findings.

5) Required Systems & Standard Work Artifacts

- **Systems:** DAWN (or DETR IFS) for transaction detail; PMS for federal reporting.
- **Work artifacts retained with each quarter's package:**
    - Consolidated Excel workbook with **Actuals** and **Accruals** tabs per Job Number.
    - Standard **Pivot** analysis (see Section 6).
    - Quarterly **Summary Table** titled "FY## (Program) QE (date)".
    - Notes log listing variances, pending/posted JVs (with document numbers once available), and file locations.
    - PREPARER and REVIEWER stamped PDFs.
    - PMS "print to PDF" of the submitted/certified 9130.

6) Data Compilation & Analysis — Required Methods

- **Source data:** Job detail from DAWN/DETR IFS for each assigned Job Number, consolidated into a single Excel workbook (.xlsx).
- **Data conditioning:** Maintain consistent dates (ascending), remove formatting artifacts (e.g., stray characters), and preserve original columns necessary for reconciliation (Job #, GL, Budget Account, Account Type, Amount, Posting/Accrual dates).
- **Accrual logic:**
    - Accrue expenses incurred by quarter end not yet paid; exclude items accrued after cut-off.
    - **Stale claims** paid this quarter that were accrued previously are included appropriately in Actuals for this quarter and disclosed in notes.

- Salary GLs/CATs and other categories are reviewed to ensure proper inclusion/exclusion based on accrual status.

- **Standard pivot configuration (for both Actuals and Accruals):**
  - **Filters:** Budget Account
  - **Columns:** Job Number; Account Type
  - **Rows:** Budget Account; GL
  - **Values:** Sum of Amount
  - Address any "blank" columns/fields (indicates miscoding); coordinate with Account Tech and document resolution status.
- **Job-level tables:** Present Actuals, Accruals, Revenue, Expenses, Administrative, and Indirect for each Job Number.
- **Quarter summary:** Provide a consolidated summary (Receipts/Revenue; Total Expenditures including accruals). Note if **Revenue > Expenses** or if a Job is **over-expended**; identify required JVs and status.

7) PMS Reporting Requirements

- **Search & select:** Use PMS Federal Financial Report menu and locate the quarter (e.g., wildcard by Federal Grant ID like "ES*" as needed).
- **Pre-populated fields:** Validate but do not alter federal system values to "fit" internal data. Document variances and notify Account Tech for investigation if applicable.
- **Data entry:** Enter quarter-end figures derived from the standardized analysis; include Preparer's name.
- **Save & print:** Save, then print the PMS report as PDF for inclusion in the package.
- **Submission:** Submit the report in PMS to trigger certification workflow to GPA1/CFO.

8) Adjustments & Journal Vouchers (JVs)

- If the Job is over-/under-expended or coding errors exist, request JVs from the Account Tech.
- **JVs are not required** to be fully posted prior to submission if the deadline requires filing; however:
  - The source workbook must include a clear note of the planned JV(s), purpose, expected impact, and—once available—document numbers and posting confirmation.
  - Significant unresolved items are disclosed in the Reviewer memo (or notes section) prior to certification.

9) Documentation, Stamps, and Records Management

- **Stamps:**
  - Preparer applies **PREPARER** stamp to the compiled PDF package.
  - Reviewer applies **REVIEWER** stamp after crosswalk and challenge procedures.

- **Backup data storage:**
  S:\fm\4770 ESD\Reports\9130 Federal Reporting\9130 Backup Data\[Quarter Ending Folder]
- **Certified report storage (with backup attached):**
  S:\fm\4770 ESD\Reports\9130 Federal Reporting\9130 Quarterly Reports\[Quarter Ending Folder]
- **File naming convention:**
  Grant Number_Grant Name_QE date_CERTIFIED_Submission date
- **Print readiness:** All pivot pages and summaries are formatted for printing (custom margins; labeled rows/columns). Each PDF notes the corresponding file path(s) for traceability.

10) Timelines & Workflow Expectations

- **Internal cutoffs:** FM establishes internal preparation and review windows ahead of federal due dates to ensure adequate time for review and certification.
- **Notifications:** Preparers monitor the Master Log and email notifications; Reviewers and GPA1 respond within agreed SLAs to maintain timeliness.

11) Quality Assurance & Monitoring

- **Quarterly review checklist:** Reviewer confirms (a) consistent pivot structures, (b) documented accrual methodology, (c) variance explanations, (d) JV status, (e) PMS values reconciled, and (f) proper stamps and storage paths.
- **Management monitoring:** FM leadership conducts periodic spot checks and annual policy refreshers; findings are tracked to closure.

12) Exceptions

Any deviation from this policy (e.g., atypical accrual treatment or timing) requires written justification by the Preparer, concurrence by the Reviewer, and approval by FM leadership. The justification must be retained with the quarter's report package.

13) Training & Updates

FM provides onboarding and periodic refresher training on this policy, PMS usage, accrual concepts, and workbook standards. This policy is reviewed at least annually and updated as federal or grant requirements change.

Step by Step procedures saved here: "S:\fm\POLICIES & PROCEDURES\FM Grants and Projects Analyst\GRANTS UNIT DESK MANUAL\9130 Reporting Procedures .docx"

Special Tests and Provisions – UI Benefit Payments

Finding 2023-024

The minimum standards of BAM case completion were not met. The following is a summary of BAM case completion percentages that were not met:

- 90- Day Completion Requirements
  Paid claims require 95% completion, actual was 85.19%.
  Denied separation claims require 85% completion, actual was 84.21%.

- 120-Day Completion Requirements
  Paid claims require 98% completion, actual was 93.46%.
  Denied separation claims require 98%, actual was 92.76%.
  Denied non-separation claims require 98%, actual was 93.63%.

Recommendation

We recommend DETR enhance the internal controls to ensure BAM timeliness requirements are met.

Nevada DETR's Response

The Employment Security Division's Unemployment Insurance Support Services (UISS) recognizes the importance of BAM timeliness to ensure accuracy of UI benefit payments and compliance with Federal standards.

Background: Timeliness issues during the review period were primarily due to workload fluctuations and staffing challenges that affected case completion rates. DETR narrowly missed the timeliness thresholds; however, no systemic issues or deficiencies in investigative procedures were identified.

As noted in the U.S. Department of Labor's Annual BAM Administrative Determination Letter for Calendar Year 2023 (April 29, 2024), Nevada's BAM program was found to be in overall compliance, and no response /corrective action was required at the federal level (Attachment A).

No new corrective actions were required beyond the continuation of normal BAM operations. Staff performance and workload management returned to standard levels, and DETR achieved full compliance with BAM timeliness requirements in the subsequent review period (202327–202426). DETR will continue to monitor BAM case processing to ensure that timeliness standards are consistently met.

Estimated Date of Completion: **COMPLETED**

Contact Person: Patricia Allander, ESD Deputy Administrator, *DETR, ESD (775)684-3906, p-allander@detr.nv.gov.*

ATTACHMENT TO SINGLE AUDIT FINDING 2023-024

U.S. Department of Labor

Employment and Training Administration
San Francisco Regional Office
90 7th Street, Suite 17300
San Francisco, California 94103

April 29, 2024

Chris Sewell
Director
Department of Employment, Training
and Rehabilitation
500 East Third Street
Carson City, NV 89713

Dear Chris Sewell:

This letter serves as the Unemployment Insurance (UI) Benefit Accuracy Measurement (BAM) Annual Determination Letter (ADL) for Calendar Year 2023. The ADL communicates the effectiveness of the Nevada Department of Employment, Training and Rehabilitation's (NV DETR) BAM program and the program's compliance with Federal law and guidelines. Enclosed is a summary of the Annual BAM Administrative Determination Report.

The Regional Office reviewed the compliance of DETR's BAM program with BAM regulations and ET Handbook 395, 5th edition. The BAM elements reviewed include the following:

- Methods and Procedures Review;
- Investigative procedures reviewed during desk and peer reviews; and
- Additional requirements for the National Directory of New Hires cross match, case completion, timeliness, comparison report, and sample selection.

The overall results indicate that the Nevada BAM program met or exceeded most, but not all, measures reviewed (see enclosures). No response to this letter is required.

We hope this report is helpful to you and appreciate your continued dedication to the BAM program. Please direct any questions or comments regarding this report to Todd Swenson, UI Program Specialist, at (415) 625-7925 or swenson.todd.e@dol.gov or me at (415) 625-7923.

Sincerely,

Dr. Tamika L. Ledbetter
Regional Administrator

Enclosures

ANNUAL BAM ADMINISTRATIVE DETERMINATION REPORT SUMMARY

The Regional Office (RO) reviewed the Nevada Department of Employment, Training and Rehabilitation's (NV DETR) Benefit Accuracy Measurement (BAM) operations to verify the agency met additional BAM requirements, ensuring uniformity in the administration of the program and compliance with BAM regulations and ET Handbook 395, 5th edition. The types of reviews and verification of additional BAM requirements are:

- Methods and Procedures (M&P) Review, which reviews four main components of the agency: organization, authority, written procedures, and forms;
- Investigative procedures reviewed during desk and peer reviews; and
- Additional requirements for the National Directory of New Hires (NDNH) cross match, case completion, timeliness, comparison report, and sample selection.

The following information provides a summary of performance, required action(s), and citation(s) for requirements, if any.

M&P Review:

- Nevada was not scheduled for its triennial M&P review this year.

Investigative Procedures:

- Peer Review: Nevada participated in the Paid Claims Accuracy (PCA) peer review during the week of April 17 – 21, 2023 in Arlington, VA. Of the 10 cases reviewed, none of the cases contained identification series (100) exceptions; however, one case contained one pursuit series (200), one case contained one resolution series (300), and three cases contained a total three procedural series (400) exceptions. The RO detailed results in a letter following the review.

Additional Requirements:

- Case Completion: Not Met.
- Timeliness: Exceeded.
- Comparison Report: Met.
- Sample Selection: Exceeded.
- NDNH cross match: Not reviewed.

Performance Deficiencies and Recommendations:

The NV DETR did not meet all administrative requirements of the BAM program for CY 2023. The NV DETR will be required to submit a corrective action plan for the BAM program for any performance deficiency or finding that is not resolved prior to submission of the fiscal year 2025 State Quality Service Plan.

Performance Deficiency: The NV DETR did not meet case completion standard for PCA and DCA for the most recent performance period. The standard for case completion requires that 98 percent of BAM cases sampled be completed within 120 days following the end of the program year. A case is considered completed when all investigative actions that could affect judgment about payment for the key week or the selected denial have been completed and the supervisor has signed off on the case. The DETR completed 93.46 percent of PCA cases, 92.76 percent of separation cases, and 93.63 percent of nonseparation cases within 120 days.

Recommendation: The DETR should review the requirements of Title 20 of the Code of Federal Regulations (CFR), Subpart C – Responsibilities, Section 602.21, and ET Handbook 395, 5th Edition, Chapters VI and VIII.

WORKSHEET BAM-9
ANNUAL BAM ADMINISTRATIVE DETERMINATION REPORT SUMMARY

State: Nevada | **Date of Completion: April 15, 2024**

Regional Monitor(s) Completing Determination: Todd Swenson

Findings emerge by a process of comparing "what should be" with "what is." Whether or not there is a difference, when conditions meet the criteria, acknowledgment in the Annual Determination Report and letter of satisfactory performance is appropriate. Outcomes and findings should be based on the following attributes:

- **Criteria:** The standards, measures, or expectations used in making an evaluation and/or verification (what should exist).
- **Condition:** The factual evidence, which the Monitor(s) found in the course of the examination (what does exist).

If there is a difference between the expected and actual conditions, then identify:

- **Cause:** The reason for the difference between the expected and actual conditions (why the difference exists and/or why the noncompliance occurred is occurring).
- **Effect:** The risk or exposure the SWA organization and/or others encounter because the condition is not the same as the criteria (the impact of the difference).

Requirement (Source)	Findings	
	SWA Adheres	SWA Does Not Adhere
Organization (M&P or recent review)	X	
Authority (M&P)	X	
Written Procedures (M&P)	X	
Forms (M&P)	X	
Sample Selection and Comparison Data (OWS System Reports & case assignment review)	X	
Timeliness of Case Completion (OWS System Reports)		X
Investigative Procedures & Methodology (Peer & Desk Case Reviews, System queries and reports)	X	
BAM NDNH Record Submission & Documentation (SWA Input Header, SWA Input Detail Record, and Case file documentation)	X	

If any requirement(s) is(are) not met, explain status. Additional narrative and documentation should be attached to support the conclusion, if not previously transmitted.

		Case Completion ALP = 98%	60-day timeliness ALP 70% paid ALP 60% denied	90-day timeliness ALP 95% paid ALP 85% denied	Comparison report[1] * and/or **	Sample selection[1] Paid 360[2] or 480[3] Denied 150 each
Paid		100%	81.51%	96.42%	-5.22%	530
Denied	**Monetary**	97.47%	85.44%	96.84%	0.27%	156
	Separation	100%	86.79%	98.11%	12.33%	152
	Non-Sep	98.09%	77.07%	92.36%	9.66%	157

Conclusion: The SWA's administration of the Benefit Accuracy Measurement program:
____ meets __X__ does not meet federal regulations.

Please note:

**** Difference between Denied Claims Accuracy (DCA) population and benchmark is 50% or more.**

*** Difference between the Paid Claims Accuracy population and benchmark is outside control limits of -10.0 and 5.0**
*** Difference between DCA population and benchmark is at least 15% but less than 50%.**

1 Case Completion, Timeliness, Comparison and Sample Selection data are based on the 2023 PIIA year, batch range 202227 – 202326.
2 360 cases for small states (ID)
3 480 cases for large states (AK, AZ, CA, HI, NV, OR, and WA)

STATE OF NEVADA
DEPARTMENT OF TRANSPORTATION
1263 S. Stewart Street
Carson City, Nevada 89712

JOE LOMBARDO
Governor

TRACY LARKIN-THOMASON, P.E., *Director*

CORRECTIVE ACTION PLAN FOR AUDIT FINDING

Audit Finding 2023-025

U.S. Department of Transportation
Highway Planning and Construction, 20.205
COVID-19 Highway Planning and Construction, 20.205

Special Tests and Provisions – Value Engineering
Significant Deficiency in Internal Control over Compliance

Summary of Finding:
The Nevada Department of Transportation (NDOT) is required to establish a value engineering (VE) program and ensure that a VE analysis is performed on all applicable projects. A VE analysis was not performed when required by NDOT policy because NDOT did not have adequate internal controls to ensure their VE policy was followed.

Recommendation:
NDOT should enhance internal controls to ensure the VE policy is followed or, if necessary, the VE policy is updated as needed and provided that it complies with federal requirements.

Agency Response

Does the Agency Agree with Finding: Yes

Additional Comments: Current NDOT policy has a lower cost threshold (i.e. stricter) for VE analysis than the federal requirement, and the finding references and evaluated project at that lower threshold. NDOT has also had significant organizational and staffing changes since the creation of this, and many other, policies and is currently in the process of updating all agency policies.

Corrective Action

Action to be Taken: NDOT will update the internal policy and processes relating to VE, including roles and responsibilities and internal controls to match or exceed federal requirements and to meet agency needs and resources.

Date of Completion or Estimated Completion: October 1, 2026

Contact Person: Mark Wooster, Performance Analysis Division Head, mwooster@dot.nv.gov

STATE OF NEVADA

JOE LOMBARDO
Governor

DR. KRISTOPHER SANCHEZ
Director

STEVE AICHROTH
Administrator

DEPARTMENT OF BUSINESS AND INDUSTRY
HOUSING DIVISION

Corrective Action Plan

Audit Finding: 2023-026 Emergency Rental Assistance Program: 21.023

Reporting
Material Weakness in Internal Control over Compliance and Material Noncompliance

> ***Summary:*** *Key information was not reported, supporting documentation for amounts that were reported was not maintained, and there was not proper segregation of duties relative to reporting.*
> ***Recommendation:*** *Implement internal controls to ensure reports are reviewed for accuracy prior to submission.*

Agency Response: The Nevada Housing Division ("Division") agrees with the finding. The Division also acknowledges this is a prior year finding. The timing of the FY22 and FY23 state audits did not allow for any corrective actions to be reflected. Additionally, the Division would like to note, and be given consideration for, the substantive fact of the context of the time period in a pandemic, a once in a lifetime crisis that was impacting daily work and personal lives of all Nevadans, including Division staff. Finally, and importantly, the U.S. Treasury portal was a challenge to work with and guidance was often confusing and contradictory.

Corrective Action: In FY25, the Division moved ERAP to the Grants Team for management of the subrecipients and reporting. Additionally, the Division established an internal audit and compliance committee to enhance oversight of existing policies for assessing risk, monitoring, and sharing best practices across its business in January of 2024. The internal audit and compliance committee is responsible for reviewing internal controls and policies on an annual basis, following up on any audit findings and ensuring follow-through of corrective action plans. Finally, the Division received legislative approval for an Auditor 3 position that will commence in October 2025 to support fiscal and overall grant compliance.

Adoption of Corrective Action: January 2024

Division Contact and Corrective Action Plan Lead:
Christine Hess, Chief Financial Officer
Nevada Housing Division
775-687-2249
chess@housing.nv.gov

STATE OF NEVADA

JOE LOMBARDO
Governor

DR. KRISTOPHER SANCHEZ
Director

STEVE AICHROTH
Administrator

DEPARTMENT OF BUSINESS AND INDUSTRY
HOUSING DIVISION

Corrective Action Plan

Audit Finding: 2023-027 Emergency Rental Assistance Program: 21.023

Subrecipient Monitoring
Material Weakness in Internal Control over Compliance and Material Noncompliance

> ***Summary:*** *Subawards did not contain all the required information, assistance listing numbers were not communicated at the time of disbursement, and there was not adequate subrecipient monitoring.*
> ***Recommendation:*** *Enhance internal controls to ensure compliance with subrecipient monitoring.*

Agency Response: The Nevada Housing Division ("Division") agrees with the finding. The Division also acknowledges this is a prior year finding. The timing of the FY22 and FY23 state audits did not allow for any corrective actions to be reflected. Additionally, the Division would like to note, and be given consideration for, the substantive fact of the context of the time period in a pandemic, a once in a lifetime crisis that was impacting daily work and personal lives of all Nevadans, including Division staff.

Corrective Action: In FY25, the Division moved ERAP to the Grants Team for management of the subrecipients and reporting. Additionally, the Division established an internal audit and compliance committee to enhance oversight of existing policies for assessing risk, monitoring, and sharing best practices across its business in January of 2024. The internal audit and compliance committee is responsible for reviewing internal controls and policies on an annual basis, following up on any audit findings and ensuring follow-through of corrective action plans. Finally, the Division received legislative approval for an Auditor 3 position that will commence in October 2025 to support fiscal and overall grant compliance.

Adoption of Corrective Action: January 2024

Division Contact and Corrective Action Plan Lead:
Christine Hess, Chief Financial Officer
Nevada Housing Division
775-687-2249
chess@housing.nv.gov

STATE OF NEVADA

JOE LOMBARDO
Governor

DR. KRISTOPHER SANCHEZ
Director

STEVE AICHROTH
Administrator

DEPARTMENT OF BUSINESS AND INDUSTRY
HOUSING DIVISION

Corrective Action Plan

Audit Finding: 2023-028 Emergency Rental Assistance Program: 21.023

Special Tests and Provisions – ERA Funds Reallocation
Material Weakness in Internal Control over Compliance and Material Noncompliance

> ***Summary:*** *Supporting documentation for the application to receive reallocated funds was not maintained and there was not adequate segregation of duties in the preparation and review of the application.*
> ***Recommendation:*** *Enhance internal controls to ensure supporting documentation is maintained.*

Agency Response: The Nevada Housing Division ("Division") does not agree with the finding. While the Division acknowledges the requirements outlined for audit in the Special Test, these do not align with the actual reallocation application which simply stated that the applicant must confirm a demonstrated need and submit monthly projections. The Division did provide these projections with its reallocation application along with households in the queue for emergency rental assistance and past monthly expenditures and households served in order to inform the projections.

Corrective Action: In FY25, the Housing Division moved ERAP to the Grants Team for management, including the documentation of amounts being reported to the awarding agency. Additionally, the Division established an internal audit and compliance committee to enhance oversight of existing policies for assessing risk, monitoring, and sharing best practices across its business in January of 2024. The internal audit and compliance committee is responsible for reviewing internal controls and policies on an annual basis, following up on any audit findings and ensuring follow-through of corrective action plans. Finally, the Division received legislative approval for an Auditor 3 position that will commence in October 2025 to support fiscal and overall grant compliance.

Adoption of Corrective Action: January 2024

Division Contact and Corrective Action Plan Lead:
Christine Hess, Chief Financial Officer
Nevada Housing Division
775-687-2249
chess@housing.nv.gov

STATE OF NEVADA

JOE LOMBARDO
Governor

DR. KRISTOPHER SANCHEZ
Director

STEVE AICHROTH
Administrator

DEPARTMENT OF BUSINESS AND INDUSTRY
HOUSING DIVISION

Corrective Action Plan

Audit Finding: 2023-029 Homeowner Assistance Fund: 21.026

Subrecipient Monitoring
Material Weakness in Internal Control over Compliance

> ***Summary:*** *Subawards and disbursements did not contain all the required information, an evaluation of each subrecipient's risk of noncompliance for purposes of determining the appropriate subrecipient monitoring was not performed.*
> ***Recommendation:*** *Implement internal controls to ensure compliance with subrecipient monitoring requirements.*

Agency Response: The Nevada Housing Division ("Division") agrees with the finding. The Division also acknowledges this is a prior year finding. The timing of the FY22 and FY23 state audits did not allow for any corrective actions to be reflected.

Corrective Action: The Division established an internal audit and compliance committee to enhance oversight of existing policies for assessing risk, monitoring, and sharing best practices across its business in January of 2024. The internal audit and compliance committee is responsible for reviewing internal controls and policies on an annual basis, following up on any audit findings and ensuring follow-through of corrective action plans. Finally, the Division received legislative approval for an Auditor 3 position that will commence in October 2025 to support fiscal and overall grant compliance.

Adoption of Corrective Action: January 2024

Division Contact and Corrective Action Plan Lead:
Christine Hess, Chief Financial Officer
Nevada Housing Division
775-687-2249
chess@housing.nv.gov

Joe Lombardo
Governor

Joy Grimmer
Director

Mandy Hagler
Deputy Director

William Taylor
Administrator

STATE OF NEVADA
DEPARTMENT OF ADMINISTRATION

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Phone: (775) 684-0299 | admin.nv.gov | Fax: (775) 684-0298

REQUEST FOR UPDATE AGAINST AUDIT FINDING

September 8, 2025

U.S. Department of Treasury
COVID-19 Coronavirus State and Local Fiscal Recovery Fund, 21.027
Procurement, Suspension, and Debarment
Significant Deficiency in Internal Control over Compliance

No 2023-030 Request for Update

Condition:
"Certain applicable provisions described in Appendix II to Part 200 were not included in contracts as required. Procedures were not followed to verify if an entity was suspended or debarred before entering into a covered transaction."

Recommendation:
"We recommend State Purchasing enhance internal controls to ensure all contracts under federal awards contain the applicable provisions and procedures are followed to ensure entities are not suspended or debarred prior to entering into covered transactions."

Agency Response and Corrective Action to be Taken:

View of Responsible Official: The Nevada State Purchasing Department agrees with the finding.

As part of Purchasing's standard contracting procedures, and shortly after the audit findings were discussed with GFO in January 2024, the Purchasing Division commenced fulfilling the recommendations regarding **provisions described in Appendix II to Part 200** that had not been consistently included in contracts as indicated below.

When Purchasing leads a Request for Proposal (RFP) process and is notified - via Section 4 of the RFP Template provided to agencies utilizing Federal Awarded Funds – Purchasing ensures that all applicable federal provisions and procedures are incorporated into the solicitation, either by reference or as attachments.

For state agencies conducting their own solicitation, Purchasing provides an RFP Template that requires identification of the relevant Code of Federal Regulations (CFR) to be referenced and included in the resulting contract, thereby supporting compliance with federal requirements.

This corrective action (RE: provisions) has been actively in place since approximately January 2024.

As part of Purchasing's updated internal controls, and shortly after the audit finding was reported, the Purchasing Division commenced fulfilling the recommendation as indicated below **regarding suspended or debarred entities**.

Prior to Purchasing awarding a contract, the responsible Purchasing Officer performs a SAM.gov check on the vendor in question, prints out the page indicating that the entity is not suspended or debarred and then the document is attached to the Bid in ePro (Nevada's official online portal for government procurement), which is posted publicly.

This corrective action (RE: debarred entities) has been actively in place since approximately July 2023.

Department or Agency Responsible for Corrective Action Plan

Agency: Department of Administration – Purchasing Division

Contact: William Taylor, Administrator
515 E. Musser Street, Suite 300
Carson City, NV 89701
775-515-5173
BTaylor@admin.nv.gov

Joe Lombardo
Governor

Tiffany Greenameyer
Director

Curtis Palmer
Deputy Director

David Lenzner
Deputy Director

STATE OF NEVADA
GOVERNOR'S FINANCE OFFICE
Budget Division

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CORRECTIVE ACTION PLAN FOR AUDIT FINDING

Audit Finding 2023-031:
U.S. Department of Treasury
COVID-19 Coronavirus State and Local Fiscal Recovery Fund, 21.027

Finding:
Inaccurate information was reported to the federal awarding agency.

Recommendation:
Recommend the Nevada Governor's Finance Office (GFO) enhance internal controls to ensure Project Expenditure Reports are reconciled to underlying supporting documentation.

Agency Response:

Does the agency Agree with the Finding: Yes

Corrective Action:
The Governor's Finance Office implemented an additional review process to ensure federal reports are accurate by reconciling amounts amongst all data sources used to compile the project expenditure reports to the federal quarterly reports.

Date of Completion: Implemented effective reporting period ended June 30, 2023.

Agency Contact:
Lesa Galloway, ASOIV
Office (775) 684-0239
lgalloway@finance.nv.gov

Reviewed and Approved: **Date:** 9/8/25 **Signature:** Lesa Galloway

State of Nevada, Aging and Disability Division – Corrective Action Plan

For the Year Ended June 30, 2023

Finding Reference: 2023-032
Federal Program: U.S. Department of Treasury – COVID19 Coronavirus State and Local Fiscal Recovery Fund (Assistance Listing 21.027)
Agency: Aging and Disability Services Division (ADSD)
Repeat Finding: Yes – prior year finding 20220-35

Contact Person:
Rique Robb
Division Administrator
Aging and Disability Services Division
775-687-0971
RiqueRobb@adsd.nv.gov

Finding:

Assistance listing numbers were not communicated at the time of disbursement.

Corrective Action Planned:
The Aging and Disability Services Division will implement the following measures to ensure full compliance with 2 CFR 200.332 subrecipient monitoring requirements:

1. **ALN Communication at Disbursement** – Effective immediately, all payment notifications and remittance advices to subrecipients will include the ALN.
2. **Internal Control Update** – Annual review and biennial update of Departmental internal controls to ensure compliance with the Code of Federal Regulations.
3. **Staff Training** – Program and fiscal staff will receive training on Uniform Guidance requirements and ADSD's updated procedures.

Anticipated Completion Date:
All corrective actions will be implemented no later than **January 31, 2026**.

Responsible Official's Views:
The Aging and Disability Services Division concurs with the findings and is committed to strengthening internal controls to ensure compliance with subrecipient monitoring requirements.

Joe Lombardo
Governor

Richard Whitley, MS
Director

DEPARTMENT OF HUMAN SERVICES

NEVADA DIVISION of PUBLIC and BEHAVIORAL HEALTH

Dena Schmidt
Administrator

Ihsan Azzam, Ph.D., M.D.,
Chief Medical Officer

September 5, 2025

Eide Bailly LLP, CPAs performed an annual single audit of the State of Nevada COVID-19 Coronavirus State and Local Fiscal Recovery Fund, CFDA 21.027, active during the State of Nevada's fiscal year 2023 which ended June 30, 2023.

Finding 2023-032: Subrecipient Monitoring:
The Division of Public and Behavioral Health (DPBH) did not communicate the assistance listing number at the time of disbursement for pass through payments.

Nevada Division of Public and Behavioral Health response:
The Nevada Division of Public and Behavioral Health accepts this finding and will initiate corrective action as described below.

Corrective Action:
The Division of Public and Behavioral Health will ensure staff are properly trained and internal controls are updated to meet the requirements of CFR 200.332. The ALN number will be listed on the line description at the time of payment to recipients.

Date of Completion:
September 2025

Responsible Party:
Nevada Department of Public and Behavioral Health Administrative Fiscal Services
Jamie Florence, Management Analyst IV
Richard Wagner, Management Analyst IV

If you have any questions, please contact Kori Kendall, Auditor III at 775-684-3228 or by email at k.kendall@health.nv.gov.

Sincerely,

Andrea Rivers, Deputy Administrator - Fiscal Services

Joe Lombardo
Governor

Tiffany Greenameyer
Director

Curtis Palmer
Deputy Director

David Lenzner
Deputy Director

STATE OF NEVADA
GOVERNOR'S FINANCE OFFICE
Budget Division

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CORRECTIVE ACTION PLAN FOR AUDIT FINDING

Audit Finding 2023-032:
U.S. Department of Treasury
COVID-19 Coronavirus State and Local Fiscal Recovery Fund, 21.027

Finding:
Adequate internal controls were not in place to ensure compliance with subrecipient monitoring requirements.

Recommendation:
Recommend the Nevada Governor's Finance Office (GFO) enhance internal controls to ensure compliance with subrecipient monitoring requirements.

Agency Response:

Does the agency Agree with the Finding: Yes

Corrective Action:
The Governor's Finance Office internal controls include ensuring there is a risk assessment performed on all subrecipients. Enhancements have been made to staff training that risk assessment documentation must be maintained in the files.

Date of Completion: Completed Approximately June 2023.

Agency Contact:
Lesa Galloway, ASOIV
Office (775) 684-0239
lgalloway@finance.nv.gov

Reviewed and Approved: **Date:** 9/8/25 **Signature:** Lesa Galloway

JOE LOMBARDO
Governor

STATE OF NEVADA

J.J. GOICOECHEA, DVM
Director

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(702) 668-4590
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Elko Office:
4780 East Idaho Street
Elko, NV 89801-4672
(775) 753-1360
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DEPARTMENT OF AGRICULTURE
405 South 21st Street
Sparks, Nevada 89431-5557
Telephone (775) 353-3601 Fax (775) 353-3661
Website: http://www.agri.nv.gov

September 8, 2025

Kurt Schlicker, CPA
Partner
Eide Bailly LLP
5441 Kietzke Ln., Ste. 150
Reno, Nevada 89511

Dear Mr. Schlicker:

The Nevada Department of Agriculture has reviewed the draft audit report received September 4, 2025, related to the below finding for Subrecipient Monitoring – Material Weakness in Internal Control over Compliance and Material Noncompliance. This letter contains the NDA's Corrective Action Plan (CAP) response to the audit findings and recommendations in the report.

Program Name: US Dept. of Treasury, COVID-19 Coronavirus and Local Fiscal Recovery Fund
Assistance Listing Number: 21.027
Finding Number: 2023-032

Summary of finding: Subawards were not entered into, assistance listing numbers were not communicated at the time of disbursement, an evaluation of the subrecipients risk for noncompliance for purposes of determining the appropriate subrecipient monitoring was not performed, and subrecipient audit reports were not reviewed. Adequate internal controls were not in place to ensure compliance with subrecipient monitoring requirements.

Recommendation: The State agency should enhance internal controls to ensure compliance with subrecipient monitoring requirements.

CAP Response:
The agency agrees and accepts this finding and has taken the following steps to enhance internal controls to ensure compliance: The agency now has a subaward process and a subgrants manual. At the requirement of NDA Fiscal, approved subaward packets are being used for all applicable funding sources which include subrecipient risk assessments and subrecipient monitoring is being completed. Subaward packets are first approved by NDA Fiscal prior to distribution to recipients. The agency is developing a subaward process checklist to improve compliance with the process.

JOE LOMBARDO
Governor

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DEPARTMENT OF AGRICULTURE
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J.J. GOICOECHEA, DVM
Director

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Fax (702) 668-4567

Elko Office:
4780 E. Idaho Street
Elko, NV 89801-4672
(775) 738-8076
Fax (775) 738-2639

Anticipated date of completion:
December 30, 2025

CAP Contacts:
Cathy Balcon, Administrator, Division of Administration
Patricia Hoppe, Administrator, Division of Food and Nutrition

Sincerely,

Patricia Hoppe
Administrator
Your contact information

Joe Lombardo
Governor

Steve Canavero, Ph.D.
Interim Superintendent of Public Instruction

Southern Nevada Office
2080 E. Flamingo Rd, Ste 210
Las Vegas, Nevada 89119-0811
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STATE OF NEVADA
DEPARTMENT OF EDUCATION

700 E. Fifth St. | Carson City, Nevada 89701-5096
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To whom it may concern:

This letter is in response to the Single Audit performed by Eide Bailly LLP CPAs relating to Federal Programs administered by the State of Nevada, Department of Education for the fiscal year ending June 30, 2023 (FY23). The audit findings pertain to the grants listed below:

- Title I Grants to Local Education Agencies, CFDA 84.010
- Education Stabilization Fund, CFDA 84.425

Below are the Nevada Department of Education's (NDE) responses to audit findings: 2023-033; 2023-034; 2023-035; 2023-036; and 2023-037.

1. **Finding #2023-033 – Title I Grants to Local Education Agencies, CFDA 84.010**
   Matching, Level of Effort, and Earmarking – Material Weakness in Internal Control over Compliance and Material Noncompliance resulted in the following Eide Bailly, LLP recommendation:
   Eide Bailly recommended NDE enhance internal controls to ensure supporting documentation of the adjustments in allocations to LEAs is maintained.

   NDE Response
   NDE agrees with this finding. In alignment with efforts under findings 2022-037 and 2023-034 regarding maintenance of effort, the Department has worked to develop policies and procedures, business rules, and consistent data and reporting practices across reports.

   Corrective Action
   NDE shall document standards for data and reporting, to include required standards for policies and procedures and business rules, to support the development of new and/or temporary reporting requirements in alignment with all relevant internal controls. NDE shall implement internal control monitoring specific to compliance with the data and reporting standards. The Office of Division Compliance will collaborate with the Office of Assessments, Data, and Accountability Management, as well as the Office of District Support to develop these standards.

   Responsible Parties and Anticipated Completion Date
   Student Investment Division, Office of Division Compliance; May 1, 2026. Please reach out to Amelia Thibault at sidcompliance@doe.nv.gov with any questions.

2. **Finding #2023-034 – Title I Grants to Local Education Agencies, CFDA 84.010**
   Matching, Level of Effort, and Earmarking – Material Weakness in Internal Control over Compliance resulted in the following Eide Bailly, LLP recommendation:
   Eide Bailly recommended NDE enhance internal controls to ensure the information used is maintained and reviewed for accuracy and compliance.

NDE Response
The Department agrees with this finding. While the Department has developed a comprehensive Policy and Procedure (1.9 Title I ESEA MOE) documenting the process for the development, review, and finalization of the MOE report, as well a Business Rule which clearly crosswalks source data to reporting outcomes and integrates pillars from NDE's Records Management Program, understaffing at the Department has made it difficult to ensure deadlines are met, all levels of review have been completed, and audit trails have been sufficiently documented.

Corrective Action
A checklist detailing the chain of review has been developed and will be implemented to track the review and approval process of federal reports prior to submission. NDE shall implement internal control monitoring specific to the use of this checklist and adherence to internal controls regarding levels of review. The Office of Division Compliance will collaborate across the Department to ensure adoption and adherence to the use of this form.

Responsible Parties and Anticipated Completion Date
Student Investment Division, Office of Division Compliance; November 1, 2025. Please reach out to Amelia Thibault at sidcompliance@doe.nv.gov with any questions.

3. **Finding #2023-035 – Education Stabilization Fund, CFDA 84.425**
Earmarking – Material Weakness in Internal Control over Compliance resulted in the following Eide Bailly, LLP recommendation:
Eide Bailly recommended NDE enhance internal controls to ensure earmarking requirements are initially met and implement internal controls to ensure ongoing compliance is monitored.

NDE Response
At the time of this Corrective Action Plan, NDE is able to demonstrate appropriate earmarking for summer enrichment and after-school programs. Related to earmark monitoring, upon receipt of a grant award, NDE utilizes a Notice of Incoming Funding Form pursuant to Policy and Procedure 10.2 Funding Opportunities; this form and corresponding policy include information regarding the grant funding and support whether an earmarking spreadsheet would be necessary.

Corrective Action
NDE shall develop a comprehensive Policy and Procedure (10.12 Match, Maintenance of Effort, and Earmarking) documenting the earmarking process, to include monitoring. NDE shall implement internal control monitoring specific to earmarking. The Office of Division Compliance will collaborate with offices across the agency to develop this policy.

Responsible Parties and Anticipated Completion Date
Student Investment Division, Office of Division Compliance; May 1, 2026. Please reach out to Amelia Thibault at sidcompliance@doe.nv.gov with any questions.

4. **Finding #2023-036 – Education Stabilization Fund, CFDA 84.425**
Level of Effort, Maintenance of Effort – Material Weakness in Internal Control over Compliance and Material Noncompliance resulted in the following Eide Bailly, LLP recommendation:
Eide Bailly recommended NDE implement internal controls so that maintenance of effort is tracked, complied with, and supporting documentation is maintained.

NDE Response
NDE maintains that the Governor's Finance Office was responsible for the maintenance of effort for higher education. In alignment with efforts under findings 2022-037 and 2023-034 regarding maintenance of effort,

the Department has worked to develop policies and procedures, business rules, and consistent data and reporting practices across reports.

Corrective Action
NDE shall document standards for data and reporting, to include required standards for policies and procedures and business rules, to support the development of new and/or temporary reporting requirements in alignment with all relevant internal controls. NDE shall implement internal control monitoring specific to compliance with the data and reporting standards. The Office of Division Compliance will collaborate with the Office of Assessments, Data, and Accountability Management, as well as the Office of District Support to develop these standards.

Responsible Parties and Anticipated Completion Date
Student Investment Division, Office of Division Compliance; May 1, 2026. Please reach out to Amelia Thibault at sidcompliance@doe.nv.gov with any questions.

5. **Finding #2023-037 – Education Stabilization Fund, CFDA 84.425**
Reporting – Material Weakness in Internal Control over Compliance and Material Noncompliance resulted in the following Eide Bailly, LLP recommendation:
Eide Bailly recommended NDE implement internal controls to identify required information to be reported, ensure accuracy, and maintain adequate document retention to support compliance.

NDE Response
Due to rapid turnover, changes in assigned personnel, and inconsistent file architecture, NDE has struggled to ensure that source documentation is labeled and retained appropriately.

Corrective Action
NDE shall document standards for data and reporting, to include required standards for policies and procedures and business rules, to support the development of new and/or temporary reporting requirements in alignment with all relevant internal controls. NDE shall implement internal control monitoring specific to compliance with the data and reporting standards. The Office of Division Compliance will collaborate with the Office of Assessments, Data, and Accountability Management, as well as the Office of District Support to develop these standards.

Responsible Parties and Anticipated Completion Date
Student Investment Division, Office of Division Compliance; May 1, 2026. Please reach out to Amelia Thibault at sidcompliance@doe.nv.gov with any questions.

Thank you,

Megan Peterson, Deputy Superintendent
Student Investment Division
Nevada Department of Education

Finding 2023-038

Program Information

Program Name:	Temporary Assistance for Needy Families, COVID-19 Temporary Assistance for Needy Families
CFDA Number:	93.558

Summary of Finding

Matching, Level of Effort, and Earmarking Significant Deficiency over Internal Control and Compliance

Agency Response

Agency agrees with this response.

Corrective Action Plan

DSS has established formal procedures to ensure TANF matching, level of effort, and earmarking requirements are consistently monitored. The TANF NEON Cash Hardship Report is now published and distributed to executive staff on a quarterly basis. Following publication, executive staff review the report and provide confirmation that program expenditures align with federal requirements. Documentation of each review is maintained as part of the official record to demonstrate compliance. These procedures ensure accurate tracking, timely oversight, and verification that TANF expenditures meet required match, level of effort, and earmarking standards.

Contact Person(s) Responsible

Shelly Aguilar, Social Services Chief III
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Anticipated Completion Date

Corrective action in place.

Finding 2023-039

Program Information

Program Name:	Temporary Assistance for Needy Families, COVID-19 Temporary Assistance for Needy Families
CFDA Number:	93.558

Summary of Finding

Material Weakness in Internal Control over Compliance and Material Noncompliance

Agency Response

Agency agrees with this finding.

Corrective Action Plan

This requirement has been incorporated into DSS internal controls to ensure subaward reporting is completed timely and in compliance with FFATA. Designated staff are responsible for monthly submission, documentation, and verification, with internal review procedures in place to confirm accuracy and completeness. All reports were brought current last month, and ongoing reporting is now embedded in standard operating procedures to maintain compliance.

Contact Person(s) Responsible

Catherine Council, Management Analyst II
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Anticipated Completion Date

September 30th, 2025.

Finding 2023-040

Program Information

Program Name:	Temporary Assistance for Needy Families, COVID-19 Temporary Assistance for Needy Families
CFDA Number:	93.558

Summary of Finding

Subrecipient Monitoring Material Weakness in Internal Control over Compliance

Agency Response

Agency agrees to this finding.

Corrective Action Plan

DSS has strengthened its subrecipient monitoring process through an enhanced tracking system that consolidates all subrecipients and aligns monitoring frequency with risk levels. Designated audit staff maintain the tracker, conduct and document risk assessments, assign monitoring levels, and perform the required reviews. Staff receive ongoing training on DSS policies, federal Uniform Guidance, and documentation standards. In addition, the Audit Liaison conducts quarterly reviews of the tracker to ensure timely monitoring and enhanced oversight for high-risk subrecipients.

Contact Person(s) Responsible

Catherine Council, Management Analyst II
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Anticipated Completion Date

September 30th, 2025.

Finding 2023-041

Program Information

Program Name:	Child Support Enforcement
CFDA Number:	93.563

Summary of Finding

Subrecipient Monitoring Significant Deficiency in Internal Control over Compliance

Agency Response

Agency agrees with this finding.

Corrective Action Plan

DSS contracts staff will formally communicate to the Child Support Enforcement (CSEP) Chief the annual requirement to update the Subrecipient Federal Award Funding attachment with the current FAIN and Federal Grant Award date. A structured follow-up process will be implemented to confirm timely completion of the updated template and distribution to both the Subrecipient and DSS contracts staff for official records. These procedures will ensure that all subawards consistently include the required elements.

Contact Person(s) Responsible

Karen Stoycoff, Social Services Program Specialist
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Anticipated Completion Date

September 30th, 2025.

Finding 2023-042

Program Information

Program Name:	Low-Income Home Energy Assistance Covid-19 Low-Income Home Energy Assistance
CFDA Number:	93.568

Summary of Finding

Significant Deficiency in Internal Control over Compliance

Agency Response

The agency agrees with this finding.

Corrective Action Plan

DSS has strengthened internal controls to ensure all reimbursement requests are independently reviewed and approved prior to submission. Each request must now include documented evidence of review and authorization by staff who are not involved in the preparation of the request, ensuring proper segregation of duties. Supporting documentation is validated during the review process, and supervisory sign-off is required to confirm accuracy and compliance. These measures provide assurance that reimbursement requests are fully supported, independently verified, and compliant with program requirements.

Contact Person(s) Responsible

Brook Barlow, Chief Fiscal Services
Phone: 775-684-0659
Email: mrwortman@dss.nv.gov

Anticipated Completion Date

Corrective Actions have been in place since July 1, 2023.

Finding 2023-043

Program Information

Program Name:	Low-Income Home Energy Assistance Covid-19 Low-Income Home Energy Assistance
CFDA Number:	93.568

Summary of Finding

Significant Deficiency in Internal Control over Compliance

Agency Response

The agency agrees with this finding.

Corrective Action Plan

To address the issue of incorrect benefit calculations, DSS has reinforced internal controls requiring supervisory case reviews to verify the accuracy of income information and benefit amounts before case certification. EAP supervisory staff provide ongoing training to case management staff on reviewing documentation and applying program rules accurately. Cases identified with errors are corrected promptly, and trends from supervisory reviews are used to provide targeted staff training. These measures ensure benefit determinations are accurate and consistently applied.

Contact Person(s) Responsible

Maria Wortman-Meshberger, Social Services Chief III
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Anticipated Completion Date

Corrective action in place.

Finding 2023-044
Program Information

Program Name:	Low-Income Home Energy Assistance Covid-19 Low-Income Home Energy Assistance
CFDA Number:	93.568

Summary of Finding
Reporting Material Weakness in Internal Control over Compliance and Material Noncompliance

Agency Response
The agency agrees with this finding.

Corrective Action Plan
Due to staffing vacancies, the Division experienced delays in developing written procedures for LIHEAP reporting. Updated procedures have now been completed and implemented, establishing formal timelines, documentation standards, and supervisory review requirements for all submissions. Going forward, program and fiscal staff will coordinate to validate data prior to report submission, with documented sign-off to confirm compliance. These strengthened procedures ensure accurate, timely, and well-supported reporting.

Contact Person(s) Responsible
Brook Barlow, Chief Fiscal Services
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Anticipated Completion Date
Corrective action in place.

Finding 2023-045

Program Information

Program Name:	Low-Income Home Energy Assistance Covid-19 Low-Income Home Energy Assistance
CFDA Number:	93.568

Summary of Finding

Reporting Material Weakness in Internal Control over Compliance and Material Noncompliance

Agency Response

The agency agrees with this finding.

Corrective Action Plan

Due to multiple staff vacancies, a written procedure for the reporting of LIHEAP Carryover and Reallotment Report was delayed. Upon completion of those updated procedures in August 2023, the reporting process for the projected unobligated balance is better understood and the tighter internal controls will ensure adequate documentation and review as required.

Contact Person(s) Responsible

Brook Barlow, Chief Fiscal Services
Phone: 775-684-0659
Email: bebarlow@dss.nv.gov

Anticipated Completion Date

Corrective action in place.

STATE OF NEVADA

JOE LOMBARDO
Governor

DR. KRISTOPHER SANCHEZ
Director

STEVE AICHROTH
Administrator

DEPARTMENT OF BUSINESS AND INDUSTRY
HOUSING DIVISION

Corrective Action Plan

Audit Finding: 2023-046 Low-Income Home Energy Assistance: 93.568

Reporting
Material Weakness in Internal Control over Compliance and Material Noncompliance

> ***Summary:*** *Required subaward information was not reported per the Federal Funding Accountability and Transparency Act (FFATA). FFATA requires direct recipients of certain federal awards to report subaward information by the end of the month following the month in which the prime awardee obligates a subgrant award equal to $30,000.*
> ***Recommendation:*** *Implement internal controls to ensure subaward information is submitted in accordance with FFATA.*

Agency Response: The Nevada Housing Division ("Division") agrees with the finding. The Division also acknowledges this is a prior year finding. The timing of the FY22 and FY23 state audits did not allow for any corrective actions to be reflected.

Corrective Action: The Division established an internal audit and compliance committee to enhance oversight of existing policies for assessing risk, monitoring, and sharing best practices across its business in January of 2024. The internal audit and compliance committee is responsible for reviewing internal controls and policies on an annual basis, following up on any audit findings and ensuring follow-through of corrective action plans. Finally, the Division received legislative approval for an Auditor 3 position that will commence in October 2025 to support fiscal and overall grant compliance.

Adoption of Corrective Action: January 2024

Division Contact and Corrective Action Plan Lead:
Christine Hess, Chief Financial Officer
Nevada Housing Division
775-687-2249
chess@housing.nv.gov

Finding 2023-047

Program Information

Program Name:	CCDF Cluster: Child Care and Development Block Grant, COVID-19 Child Care and Development Block Grant, Child Care Mandatory and Matching Funds of the Child Care and Development Fund
CFDA Number:	93.575/93.596

Summary of Finding

Matching, Level of Effort, and Earmarking Significant Deficiency in Internal Control over Compliance

Agency Response

Agency agrees with the finding.

Corrective Action Plan

DSS has implemented procedures requiring program staff and fiscal staff to reconcile in-kind contributions against the required match on a quarterly basis. Certified match letters and supporting documentation from partners are reviewed against the cumulative tracker to ensure amounts are properly recorded and reported. Discrepancies are resolved prior to reporting, and supervisory review provides additional oversight. These procedures ensure the State's matching requirements are consistently met and accurately reported on the ACF-696.

Contact Person(s) Responsible

Brook Barlow, Chief Fiscal Services
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Email: bebarlow@dss.nv.gov

Anticipated Completion Date

November 15, 2025.

Finding 2023-048

Program Information

Program Name:	CCDF Cluster: Child Care and Development Block Grant, COVID-19 Child Care and Development Block Grant, Child Care Mandatory and Matching Funds of the Child Care and Development Fund
CFDA Number:	93.575/93.596

Summary of Finding

Reporting Material Weakness in Internal Control over Compliance

Agency Response

The agency agrees with this finding.

Corrective Action Plan

Procedures were implemented July 1, 2023, to validate that the fiscal amounts reported on the ACF-696 have supporting documentation in the applicable state fiscal year and additional guidance had been provided to staff on the tighter internal controls.

Contact Person(s) Responsible

Brook Barlow, Chief Fiscal Services
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Email: bebarlow@dss.nv.gov

Anticipated Completion Date

These procedures were implemented July 1, 2023.

Finding 2023-049

Program Information

Program Name:	CCDF Cluster: Child Care and Development Block Grant, COVID-19 Child Care and Development Block Grant, Child Care Mandatory and Matching Funds of the Child Care and Development Fund
CFDA Number:	93.575/93.596

Summary of Finding

Reporting Material Weakness in Internal Control over Compliance and Material Noncompliance

Agency Response

Agency agrees with this finding.

Corrective Action Plan

This requirement has been incorporated into DSS internal controls to ensure subaward reporting is completed timely and in compliance with FFATA. Designated staff are responsible for monthly submission, documentation, and verification, with internal review procedures in place to confirm accuracy and completeness. All reports were brought current last month, and ongoing reporting is now embedded in standard operating procedures to maintain compliance.

Contact Person(s) Responsible

Catherine Council, Management Analyst II
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Email: cacouncil@dss.nv.gov

Anticipated Completion Date

September 30th, 2025.

Date:	September 5, 2025
Program:	U.S. Department of Health and Human Services Foster Care – Title IV-E, CFDA 93.658 Adoption Assistance, 93.659
Corrective Action Plan	
Finding Number:	2023-050
Finding:	Allocation methods used in cost allocation did not agree to the approved cost allocation plan, amounts allocated did not agree to the general ledger, and allocation statistics did not agree to underlying support.
Corrective Action Taken or To Be Taken	Quarterly Cost Allocation internal controls will be reviewed and updated to ensure costs are allocated accurately and in accordance with the cost allocation plan. Staff will be trained on the revised internal controls to best assist in identifying any inaccuracies within both the cost allocation plan narrative and software system. Internal audits will be performed periodically to ensure staff are following the revised internal controls.
If already taken, date of completion:	
If to be taken, estimated date of completion:	Revisions of internal controls and staff training will be completed by 3/31/26.
Agency Response	
Does the Agency agree with finding?	The Nevada Division of Child and Family Services agrees with this finding.
If no or partial, please explain reason(s) why:	
Additional Comments:	Prior year finding 2022-056
Division Responsible for Corrective Action	
Name, Title	Kelsey McCann-Navarro, Administrative Services Officer IV
Address	4126 Technology Way
City, State, Zip Code	Carson City, NV 89706
Phone Number	775-684-4431
Email	Kelsey.Navarro@dcfs.nv.gov
Reviewed and Approved	
Marla McDade Williams, Administrator	
Date 9/5/2025	Signature [signature]

Date:	September 5, 2025
Program:	U.S. Department of Health and Human Services Foster Care – Title IV-E, CFDA 93.658
Corrective Action Plan	
Finding Number:	2023-051
Finding:	Required subaward information was not reported timely in the FFATA Subaward Reporting System (FSRS).
Corrective Action Taken or To Be Taken	Internal controls have been reviewed and updated to ensure subaward information is submitted in accordance with the FFATA.
If already taken, date of completion:	Internal control updated in SFY23.
If to be taken, estimated date of completion:	
Agency Response	
Does the Agency agree with finding?	The Nevada Division of Child and Family Services agrees with this finding.
If no or partial, please explain reason(s) why:	
Additional Comments:	Prior year finding 2022-057
Division Responsible for Corrective Action	
Name, Title	Yaraseth Anaya-Lugo, Social Services Chief III
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Reviewed and Approved	
Marla McDade Williams, Administrator	
Date 9/5/2025	Signature

Joe Lombardo
Governor

Richard Whitley, MS
Director

DEPARTMENT OF HUMAN SERVICES

DIVISION OF CHILD AND FAMILY SERVICES

Helping people. It's who we are and what we do.

Marla McDade Williams, MPA
Administrator

Date:	September 5, 2025
Program:	U.S. Department of Health and Human Services Foster Care – Title IV-E, CFDA 93.658
Corrective Action Plan	
Finding Number:	2023-052
Finding:	The assistance listing number was not identified at the time of disbursement.
Corrective Action Taken or To Be Taken	Corrective Action for previous year finding 2022-058 was completed in April 2024 with subaward policy revision and staff training of policy revision. An internal audit of assistance listing numbers (ALNs) on subrecipient disbursements in December 2025 verified that ALNs are included on disbursements.
If already taken, date of completion:	April 2024 (FY24)
If to be taken, estimated date of completion:	
Agency Response	
Does the Agency agree with finding?	The Nevada Division of Child and Family Services agrees with this finding.
If no or partial, please explain reason(s) why:	
Additional Comments:	Prior year finding 2022-058
Division Responsible for Corrective Action	
Name, Title	Kelsey McCann-Navarro, Administrative Services Officer IV
Address	4126 Technology Way Suite 300
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Phone Number	775-684-4431
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Reviewed and Approved	
Marla McDade Williams, Administrator	
Date 9/5/2025	Signature

Finding 2023-053

Program Information

Program Name:	Children's Health Insurance Program (CHIP)
CFDA Number:	93.767

Summary of Finding

Eligibility Material Weakness in Internal Control over Compliance

Agency Response

The agency agrees with this finding.

Corrective Action Plan

DSS has enhanced internal controls to ensure CHIP applications are accurately processed and properly documented. Procedures have been reinforced to require that all applications and supporting documentation are consistently re-indexed to the correct case file when a pseudo-SSN is updated, that each application carries a clear date stamp, and that records are fully maintained in DIS. In addition, DSS relies on its Quality Control (QC) unit to conduct post-eligibility reviews, validate determinations, and identify corrective actions when necessary. Together, these measures ensure that applications are complete, accessible, and compliant with program requirements.

Contact Person(s) Responsible

Karen Stoycoff, Social Services Program Specialist
Phone: 775-684-7436
Email: kstoycoff@dss.nv.gov

Anticipated Completion Date

September 30th, 2025.

Finding 2023-054

Program Information

Program Name:	Children's Health Insurance Program (CHIP), Medicaid Cluster: State Medicaid Fraud Control Units, State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare, Medical Assistance Program (Medicaid; Title XIX)
CFDA Number:	93.767/93.775/93.777/93.778

Summary of Finding

Eligibility Material Weakness in Internal Control over Compliance

Agency Response

The agency agrees with this finding.

Corrective Action Plan

DSS has reinforced internal controls to ensure applications are correctly indexed, date-stamped, and fully accessible in DIS with documented supervisory review. The Division has also implemented automation of the PARIS file to ensure quarterly residency verification is completed, with non-responding or out-of-state participants terminated. These controls are now in place and will be applied consistently going forward.

Contact Person(s) Responsible

Karen Stoycoff, Social Services Program Specialist
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Email: kstoycoff@dss.nv.gov

Anticipated Completion Date

September 30th, 2025.

Joe Lombardo
Governor

NEVADA HEALTH AUTHORITY
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Stacie Weeks
Director

CORRECTIVE ACTION PLAN

Finding Number 2023-054

U.S. Department of Health and Human Services
Children's Health Insurance Program (CHIP), 93.767
Medicaid Cluster:
State Medicaid Fraud Control Units, 93.775
State Survey and Certification of Health Care Providers and Suppliers (Title XVIII)
Medicare, 93.777
Medical Assistance Program (Medicaid; Title XIX), 93.778

Summary of Finding: PARIS data was not utilized by the Division of Health Care Financing and Policy (DHCFP) or the Division of Welfare and Supportive Services (DWSS) to monitor residency changes to determine when managed care benefits needed to be terminated because the beneficiary was a resident of another state for Medicaid purposes.

DHCFP and DWSS did not have internal controls in place to effectively communicate the PARIS data between the two agencies to ensure managed care benefits were terminated when appropriate.

DHCFP and DWSS did not have internal controls in place to effectively communicate the PARIS data between the two agencies to ensure managed care benefits were terminated when appropriate.

Projected questioned costs are $11,108,851 for Medicaid and $139,223 for CHIP.

We recommend DHCFP and DWSS implement internal controls to effectively communicate the PARIS data between each other and to ensure managed care benefits are terminated when appropriate.

NVHA Response: The Nevada Health Authority agrees with this finding.

Corrected Action Planned:

The Division of Social Services (DSS) is in the process of automating the PARIS process. The automation is designed to streamline the quarterly PARIS process. Upon receipt of the file, the system generates initial requests for information to customers identified, requiring them to confirm Nevada residency. Customers are allowed 30 days to respond. Approximately five days after the initial request, reminder notices are issued by text message and email to customers who have not responded. Customers who fail to respond within the 30-day timeframe, or who confirm an out-of-state address, will be terminated in accordance with policy, while those confirming Nevada residency will retain eligibility

Anticipated Completion Date of Corrective Action Plan : September 2025

Stacie Weeks, Administrator

Joe Lombardo
Governor

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Director

CORRECTIVE ACTION PLAN

Finding 2023-055

U.S. Department of Health and Human Services
Medicaid Cluster:
State Medicaid Fraud Control Units, 93.775
State Survey and Certification of Health Care Providers and Suppliers (Title XVIII)
Medicare, 93.777
Medical Assistance Program (Medicaid; Title XIX), 93.778

Summary of Finding: Underlying supporting documentation for certain administrative costs was not maintained by the Division of Health Care Financing and Policy (DHCFP).

DHCFP did not have adequate internal controls to ensure supporting documentation for administrative expenditures was maintained.

Administrative costs were charged to the federal program without appropriate supporting documentation.

No documentation was available to support seven transactions, totaling $5,459, that were charged to the federal program. These charges included general ledger descriptions of:
- Per diem in-state
- Annual leave
- Building and grounds lease assessment
- IT virtual server hosting
- IT security assessment

Of the seven transactions, five were journal vouchers that did not contain the underlying support for the journal voucher. One transaction was coded as a direct payment voucher and one transaction was coded as an expenditure to a cash receipt (rather than payment voucher).

We recommend DHCFP enhance internal controls to ensure supporting documentation for administrative expenditures is maintained.

NVHA Response: Nevada Health Alliance agrees with this finding.

Corrected Action Planned: The Division has strengthened its internal controls to ensure that supporting documentation for all administrative expenditures is properly maintained and readily accessible. The following procedures have been implemented:

1. Documentation in CORE.NV:
   Accounting personnel are now required to attach all supporting documentation directly in CORE.NV at the time of transaction preparation, while acting as the Pend1 approver.

2. Pend2 Approval Verification:
   The Pend2 approver must verify that the appropriate supporting documentation is attached in CORE.NV before applying their approval to the transaction.

3. "Snatch and Grab" Transactions:
   For transactions initiated outside the standard workflow ("snatch and grab"), accounting personnel will proactively obtain the necessary supporting documentation from the applicable division to ensure completeness.

4. SharePoint Repository:
   In addition to CORE.NV, all supporting documentation will be saved in a centralized SharePoint repository to enhance accessibility, transparency, and audit readiness.

These measures are intended to improve accountability, ensure compliance with documentation requirements, and support the integrity of financial reporting.

Anticipated Completion Date of Corrective Action Plan: September 2025

Finding 2023-056

Program Information

Program Name:	Children's Health Insurance Program (CHIP), Medicaid Cluster: State Medicaid Fraud Control Units, State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare, Medical Assistance Program (Medicaid; Title XIX)
CFDA Number:	93.767/93.775/93.777/93.778

Summary of Finding

Eligibility Material Weakness in Internal Control over Compliance

Agency Response

Agency agrees with the finding.

Corrective Action Plan

DSS has clarified its internal control framework to reflect that eligibility accuracy is verified through the Division's Quality Control (QC) unit rather than a secondary supervisor review. The QC unit conducts ongoing post-eligibility case reviews to validate determinations, identify errors, and recommend corrective measures. To support this process, DSS has reinforced procedures requiring all applications and redeterminations to be properly filed, time-stamped, and maintained in DIS to ensure accessibility for QC review. These measures, combined with QC oversight, provide assurance that eligibility determinations are accurate, documented, and compliant with program requirements.

Contact Person(s) Responsible

Karen Stoycoff, Social Services Program Specialist
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Anticipated Completion Date

September 30th, 2025.

Joe Lombardo
Governor

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Stacie Weeks
Director

CORRECTIVE ACTION PLAN

Finding 2023-057

U.S. Department of Health and Human Services
Medicaid Cluster:
State Medicaid Fraud Control Units, 93.775
State Survey and Certification of Health Care Providers and Suppliers (Title XVIII)
Medicare, 93.777
Medical Assistance Program (Medicaid; Title XIX), 93.778

Summary of Finding: Amounts reported on the CMS-64 were not supported by the underlying accounting information

DHCFP did not have adequate internal controls to ensure CMS-64 reports were accurate or supporting documentation for reconciling items was maintained.

Inaccurate information may be reported to the federal awarding agency.

DHCFP has manual adjustments to key line items within the CMS-64 from the general ledger. DHCFP did not maintain a record of any of the manual adjustments and we were unable to verify whether the manual adjustment was appropriate. In total, there were $36,128,957 in manual adjustments in the December 31, 2022 CMS-64 report and $5,364,337 in the March 31, 2023 CMS-64 report that we were unable to verify.

We recommend DHCFP enhance internal controls to ensure CMS-64 reports are accurate and supporting documentation is maintained.

NVHA Response: Nevada Health Authority agrees with this finding.

Corrected Action Planned:

The Division has enhanced its internal controls to ensure the accuracy of CMS-64 reports and the proper maintenance of supporting documentation. The following measures have been implemented:

1. System of Record – DAWN:
   The state's accounting system, DAWN, continues to serve as the Division's official system of record for compiling CMS-64 reports.

2. Reduction of Manual Adjustments:
   The Budget Unit and Federal Reporting Units are proactively working to reduce the number of

manual adjustments by creating journal vouchers (JVs) to account for transactions that would otherwise be processed manually.

3. Documentation of Manual Transactions:
   For manual transactions that cannot be incorporated into DAWN, the Federal Reporting Unit has added explanatory notes in the backup workpapers.

4. Reporting Requirements for Certain Service Costs:
   Currently, several service costs are commingled within MMIS. To address this, the Division performs data downloads from MMIS to separate and identify these costs appropriately for CMS-64 reporting. The Federal Reporting Unit will ensure these MMIS reports are maintained to provide transparency and traceability.

5. Collaboration with Fiscal Agent:
   The Division is actively collaborating with its Fiscal Agent, Gainwell, to improve CMS-64 reporting. This includes the development of new "fiscal strings" designed to capture and isolate specific costs that must be reported separately. These efforts aim to enhance transparency and accuracy in federal reporting.

These improvements reflect the Division's commitment to strengthening financial reporting processes, ensuring compliance with federal requirements, and maintaining robust documentation standards.

Anticipated Completion Date of Corrective Action Plan: September 2025