

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM
of NEVADA**

A Component Unit of the State of Nevada

POPULAR ANNUAL FINANCIAL REPORT



**For the Fiscal Year Ended
June 30, 2024**

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Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

Public Employees' Retirement System of Nevada

For its Annual Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

POPULAR ANNUAL FINANCIAL REPORT- 2024

ADMINISTRATIVE PERSONNEL As of June 30, 2024

PUBLIC EMPLOYEES' RETIREMENT BOARD

Mark Stevens	Chair	2027
Brian A. Wallace	Vice Chair	2025
Jessica Colvin	Member	2025
Dawn E. Huckaby	Member	2026
Todd H. Ingalsbee	Member	2027
Norma Santoyo	Member	2025
Cameron Wagner*	Member	2026

Terms expire on June 30 of year noted
*Term expires on November 30 of year noted

RETIREMENT STAFF

Tina Leiss	Executive Officer
Steve Edmundson	Chief Investment Officer
Lauren Larson	Deputy Investment Officer
Kabrina Feser	Operations Officer
John Van Horn	Chief Financial Officer
Ian Carr	General Counsel
Charlie Park	Manager of Information Systems
Teresa Chalmers	Chief Administrative Analyst
Charyl Lacombe	Administrative Analyst

DIVISION SUPERVISORS

Ramon Chavez	Accounting
Walter Zeron	Employer Services
Jobeth Clinger	Internal Audit
Kristina Kibbe	Production & Benefits Services
Felicia King	Support Services and Member & Retiree Services

MEDICAL ADVISORS

G. Bruce Nickles, M.D., Carson City, Nevada
Terry Long, RN, Carson City, Nevada

POLICE AND FIREFIGHTERS' RETIREMENT FUND ADVISORY COMMITTEE

Scott Vivier	Chair	2027
Troyce Krumme	Vice Chair	2026
Neis Eastgard	Member	2027
Bill Gardner	Member	2028
Tamrah Jackson	Member	2027
Scott Nicholas	Member	2028

Terms expire on June 30 of year noted

THE SYSTEM'S ADVISORS

Consulting Actuary – Segal, San Francisco, California
Independent Auditors – Plante & Moran PLLC, Cleveland, Ohio
Investment Consultants – Callan Associates, San Francisco, California
Jobs Peak Advisors, Minden, Nevada

MISSION STATEMENT

It is the mission of the Public Employees' Retirement System to:

- ❖ Provide public workers and their dependents with a retirement program that provides a reasonable base income for retirement or for periods where a disability has removed a worker's earning capacity.
- ❖ Encourage those workers to enter into and remain in government service for such periods of time to give public employers and the people of the State of Nevada the full benefit of their training and experience.
- ❖ Provide an orderly method of promoting and maintaining a high level of service to the public through an equitable separation procedure available to employees at retirement or upon becoming disabled.

MESSAGE FROM TINA LEISS, EXECUTIVE OFFICER

It is a pleasure to present the Popular Annual Financial Report (PAFR) of the Public Employees' Retirement System of Nevada (System or PERS), a component unit of the State of Nevada, for the fiscal year ended June 30, 2024.

The financial statements included in this report are the responsibility of the System's management and have been prepared in accordance with generally accepted accounting principles as promulgated or adopted by the Governmental Accounting Standards Board (GASB). In management's opinion, the financial statements present fairly the fiduciary net position of the System at June 30, 2024, and changes in fiduciary net position for the year then ended.

PERS administers a cost-sharing, multiple-employer defined benefit public employees' retirement system. The System was established by the Nevada Legislature in 1947. At the end of fiscal year 2024, the System had 229 participating employers, 115,765 active members, and 84,170 benefit recipients. The System is comprised of two sub-funds, Regular and Police/Fire.

One of the principal goals of the Public Employees' Retirement Board (Board) has been to stabilize contribution rates during volatile investment market cycles and demographic changes and to ensure cost predictability to employers and members. The 2024 actuarial valuation shows that the tools the Board has put in place to meet these objectives are working, while maintaining the retirement security of all public employees.

The System is funded by contributions calculated as a percentage of employee salary. Although the System receives an actuarial valuation annually, the Public Employees' Retirement Act requires an adjustment in the statutory contribution rates on July 1 of each odd-numbered year, based on the actuarially determined rates indicated in the actuarial valuation report for the immediately preceding year.

As of June 30, 2024, the System's net position was \$64.5 billion, an increase of \$6.1 billion from 2023. The fiscal year 2024 time-weighted return (gross of fees) was 12.1%, which added \$6.9 billion in investment income. Investment performance was primarily driven by strong returns from U.S. stocks and international stocks. The funded ratio calculated as smoothed actuarial value of assets as a percentage of total actuarial accrued liability increased to 75.6% from 75.4% in fiscal year 2023.

Detailed information on the financial position of the System and other financial information can be found in the June 30, 2024, Annual Comprehensive Financial Report (ACFR) at www.nvpers.org/publications/reports.

Respectfully submitted,



Tina Leiss
Executive Officer

FINANCIAL SUMMARY

The System undergoes a financial audit by an independent auditor each fiscal year. Plante Moran, PLLC was the independent auditor for fiscal year 2024.

Condensed Statement of Fiduciary Net Position

The Condensed Statement of Fiduciary Net Position includes all of the System’s pension trust fund assets, liabilities, and the net position at the end of the fiscal year.

	As of June 30, 2024	As of June 30, 2023	Increase/ (Decrease) from 2023 to 2024
Cash and cash equivalents	\$ 77,717,124	\$ 761,924,201	\$ (684,207,077)
Contributions receivable	240,711,526	208,013,711	32,697,815
Accrued investment income	314,629,954	223,716,471	90,913,483
Pending trades receivable	259,044,986	68,032,701	191,012,285
Investments, at fair value	63,758,355,276	57,187,487,744	6,570,867,532
Property and equipment, net	22,469,336	12,956,878	9,512,458
Other assets	5,752,941	3,962,814	1,790,127
Total assets	64,678,681,143	58,466,094,520	6,212,586,623
Accounts payable and accrued expenses	18,298,736	10,033,522	8,265,214
Pending trades payable	204,826,989	140,954,221	63,872,768
Total liabilities	223,125,725	150,987,743	72,137,982
Net position restricted for pension benefits	\$ 64,455,555,418	\$58,315,106,777	\$ 6,140,448,641

Significant Changes from 2023 to 2024

Cash and cash equivalents decreased by \$684.2 million, accrued investment income increased by \$90.9 million, and pending trades receivable and payable increased \$191.0 million and \$63.9 million, respectively, between 2023 and 2024. These categories fluctuate from year to year and are unpredictable.

Contributions receivable increased by \$32.7 million between 2023 and 2024 due to the increase in contribution rates.

Investments at fair value increased \$6.6 billion from 2023 to 2024 primarily due to the investment performance which was primarily driven by strong returns from both U.S. and international stocks.

Property and equipment, net, increased by \$9.5 million from 2023 to 2024 primarily due to costs incurred and capitalized for the new pension administrative system, PERIS.

Accounts payable and accrued expenses increased by \$8.3 million between 2023 and 2024 primarily due to an increase in accruals for the new pension administrative system.

FINANCIAL SUMMARY (CONTINUED)

Condensed Statement of Changes in Fiduciary Net Position

The Condensed Statement of Changes in Fiduciary Net Position shows additions to and deductions from the pension trust fund during the fiscal year presented. Over time the increase or decrease in net position serves as a useful indicator of the health of the System's financial position.

	<u>2024</u>	<u>2023</u>	<u>Increase/ (Decrease) from 2023 to 2024</u>
Contributions	\$ 2,986,677,742	\$ 2,390,600,366	\$ 596,077,376
Net investment income	6,929,342,210	4,951,276,088	1,978,066,122
Net securities lending income	-	2,122,178	(2,122,178)
Other income	<u>5,222,831</u>	<u>1,470,742</u>	<u>3,752,089</u>
Total additions	<u>9,921,242,783</u>	<u>7,345,469,374</u>	<u>2,575,773,409</u>
Benefit payments	3,721,027,425	3,477,751,067	243,276,358
Refunds of contributions	43,651,730	51,102,915	(7,451,185)
Transfers of contributions to JRS*	-	1,407,857	(1,407,857)
Administrative expenses	16,000,153	14,093,101	1,907,052
Other expenses	<u>114,834</u>	<u>19,665</u>	<u>95,169</u>
Total deductions	<u>3,780,794,142</u>	<u>3,544,374,605</u>	<u>236,419,537</u>
Change in net position	6,140,448,641	3,801,094,769	2,339,353,872
Net position, beginning of year	<u>58,315,106,777</u>	<u>54,514,012,008</u>	<u>3,801,094,769</u>
Net position, end of year	<u>\$ 64,455,555,418</u>	<u>\$58,315,106,777</u>	<u>\$ 6,140,448,641</u>

* Judicial Retirement System

Significant Changes from 2023 to 2024

Contributions increased \$596 million between 2023 and 2024 due to the increase in contribution rates.

Net investment income increased \$2.0 billion from 2023 to 2024 because the time-weighted investment return (gross of fees) of 12.1% in 2024 was greater than the 9.3% returned in 2023.

Net security lending income decreased \$2.1 million from 2023 to 2024. The security lending program was terminated in fiscal year 2023.

Other income increased \$3.8 million from 2023 to 2024 primarily due to an increase in Employer Penalties and Employer Interest income in fiscal year 2024.

Benefit payments increased \$243.3 million in 2024 primarily due to the number of beneficiaries increasing from 81,861 in 2023 to 84,170 in 2024 and the average monthly benefit increasing from \$3,630 in 2023 to \$3,774 in 2024.

Refund of contributions decreased \$7.5 million between 2023 and 2024. This category fluctuates from year to year and is unpredictable.

Transfers of contributions to JRS decreased \$1.4 million in 2024. There were no transfers in fiscal year 2024.

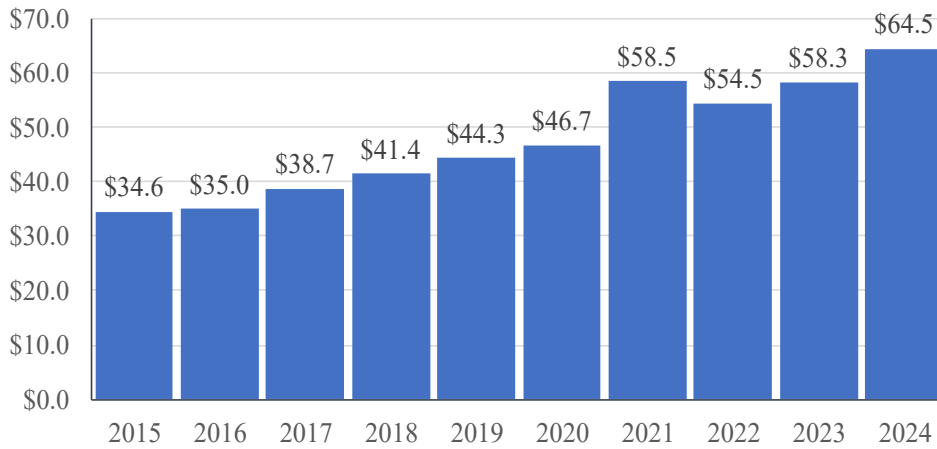
Administrative expenses increased \$1.9 million from 2023 to 2024 primarily due to an increase in staff payroll and benefits incurred.

FINANCIAL HIGHLIGHTS

Net Position

Net position represents total assets less total liabilities. In fiscal year 2024, the net position increased to \$64.5 billion.

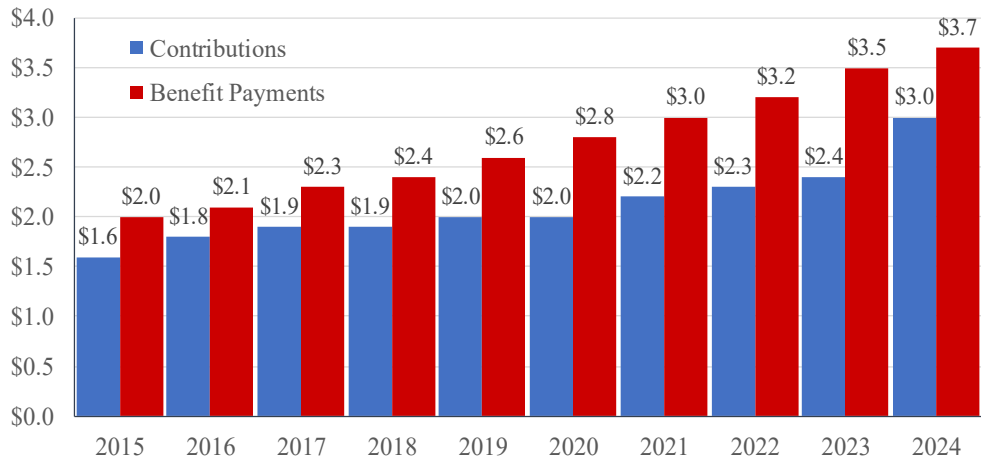
Net Position (in billions) over Fiscal Years



Contributions and Benefit Payments

Benefit payments and contributions received by the System have increased over time. Benefit payments are paid from both incoming contributions as well as investment income.

Contributions & Benefit Payments (in billions) over Fiscal Years



INVESTMENTS

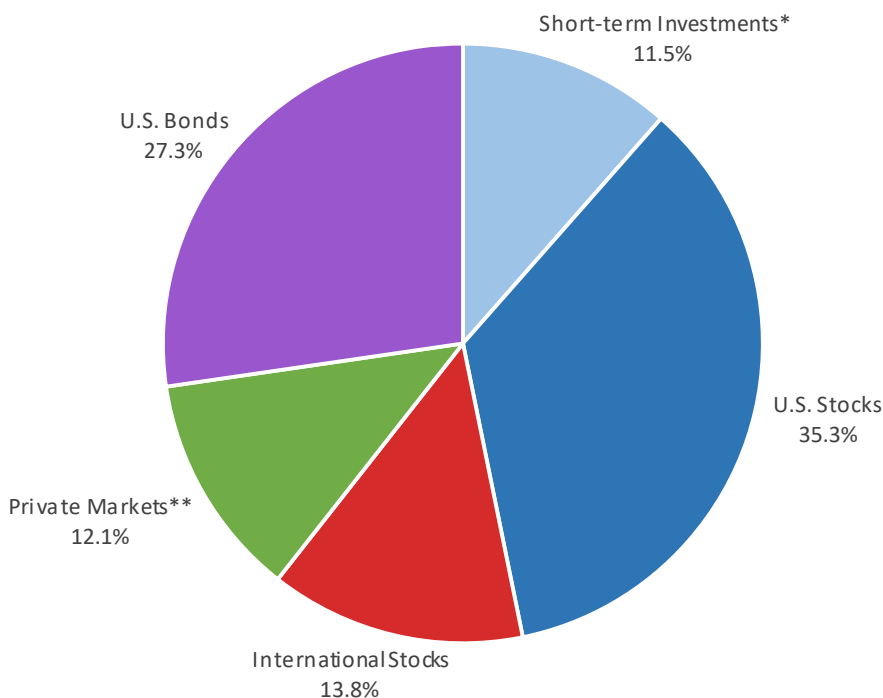
The investment program is designed to generate a long-term return that meets the System’s objectives while minimizing risk.

The investment objective of the System is to:

- ❖ Generate a 7.25% long-term investment return which exceeds the rate of inflation (CPI) by 4.75% by capturing market returns within each asset class.
- ❖ Invest so that short-term volatility of returns will not cause the System to alter its long-term strategy.
- ❖ Structure an investment program which is sufficiently uncomplicated to control the ability to consistently meet return and risk objectives.

Asset allocation is the most significant factor influencing the risk and return of the investment program. The System uses an entirely indexed structure for U.S. stocks, international stocks, and U.S. bonds. U.S. stocks are indexed to the S&P 500 Index, international stocks are indexed to the MSCI World ex USA Index, and U.S. bonds are indexed to the Bloomberg U.S. Treasury Index. The Private Markets investments are made up of actively managed private equity and real estate portfolios.

Asset Allocation at June 30, 2024



*Short-term Investments consist of investments in an account managed by Payden & Rygel, the Goldman Sachs Financial Square Treasury Obligations Fund.

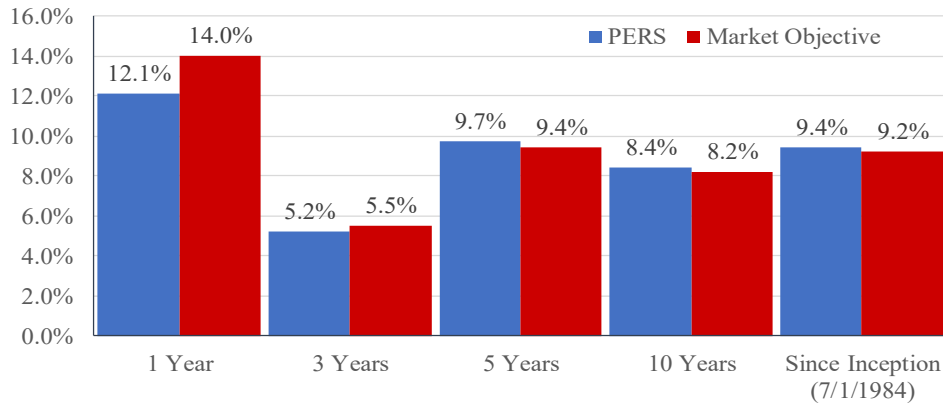
**Includes 7.7% Private Equity and 4.4% Private Real Estate.

INVESTMENTS (CONTINUED)

Total Fund Performance

The chart below illustrates PERS’ portfolio performance over a variety of time periods. The fund’s annualized rate of return is 9.4% since inception versus the long-term actuarial objective of 7.25%.

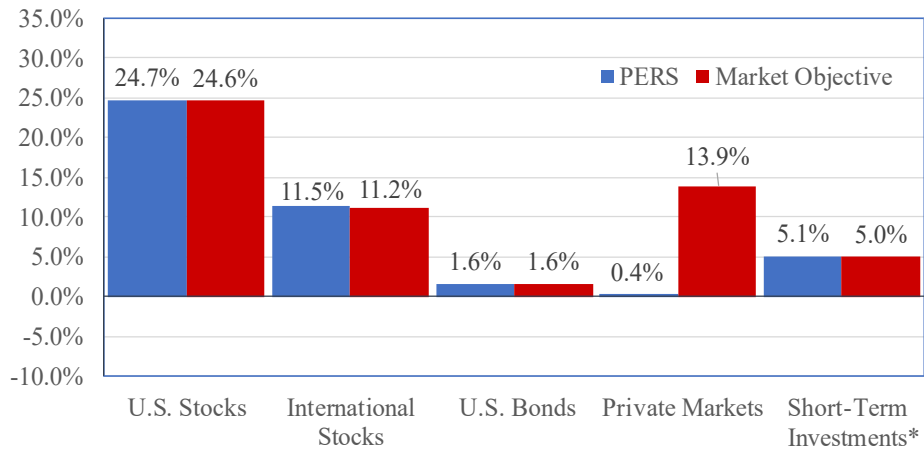
**PERS Annualized Total Returns vs. Market Objective
As of June 30, 2024**



Asset Class Performance

The chart below shows PERS’ Fiscal Year performance by asset class.

**One-Year Asset Class Returns vs. Market Objective
As of June 30, 2024**



* The short-term investments inception date is August 1, 2023. The 2024 return does not reflect a full year. The System’s complete Investment Objectives and Policies may be found on the PERS website, www.nvpers.org.

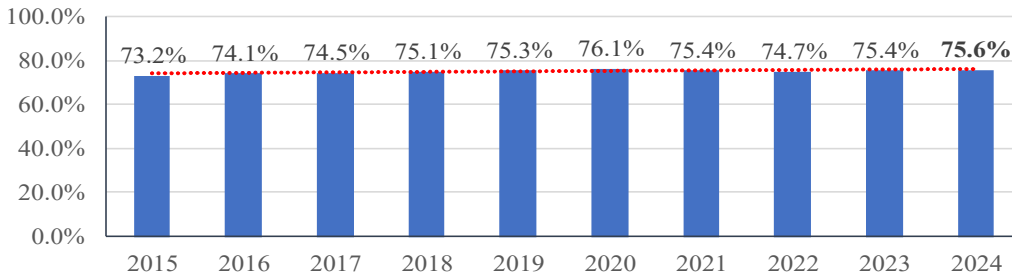
ACTUARIAL

The System’s funding objective is to pay long-term benefits through contributions (and investment returns on such contributions) that remain relatively level from year to year. The amount contributed is a percentage of the salaries earned by members. Using this methodology, members and employers each pay equally for retirement service accrued by active members in any given year. While the System receives an actuarial valuation annually, contribution rates are adjusted on July 1 of each odd-numbered year, based on the actuarially determined rates in the actuarial valuation for the immediately preceding year.

Funded Ratio

One measure of a pension fund’s health is its funded status. One factor to keep in mind is that all benefits the System is obligated to pay are not due and payable immediately. The funded ratio compares the actuarial value of assets to the actuarial accrued liability. Below is a chart showing the funding levels of PERS over the last 10 years.

PERS Funded Ratio by Fiscal Year



Net Pension Liability

The net pension liability is determined using actuarial methods required by the Governmental Accounting Standards Board (GASB) and is used for financial reporting purposes. The net pension liability uses the plan fiduciary net position in the calculation rather than the actuarial value of assets used in the funded ratio calculation above.

The components of the net pension liability at June 30, 2024, were as follows:

Total pension liability	\$ 82,523,441,921
Plan fiduciary net position	64,455,555,418
Net pension liability	<u>\$ 18,067,886,503</u>

Plan fiduciary net position as a percentage of the total pension liability	78.1%
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MEMBERSHIP

**Retirement System Membership
2015 to 2024**

<u>June 30</u>	<u>Active Members</u>	<u>Inactive Vested Members</u>	<u>Retired & Disabled Members</u>	<u>Beneficiaries & Survivors</u>	<u>Total Membership</u>
2015	103,108	15,032	51,853	6,306	176,299
2016	105,167	15,639	54,615	6,565	181,986
2017	105,801	16,668	57,199	6,931	186,599
2018	107,506	16,607	59,819	7,289	191,221
2019	109,167	17,341	62,466	7,590	196,564
2020	111,815	17,398	64,867	7,874	201,954
2021	106,930	18,871	67,755	8,200	201,756
2022	108,635	19,511	70,410	8,639	207,195
2023	112,019	20,090	72,878	8,983	213,970
2024	115,765	20,752	74,863	9,307	220,687

Number of Active Members Per Retiree*

<u>June 30</u>	<u>Number of Active Members</u>		<u>Number of Retired Members**</u>		<u>Active Members per Retiree</u>	
	<u>Regular</u>	<u>Police/ Fire</u>	<u>Regular</u>	<u>Police/ Fire</u>	<u>Regular</u>	<u>Police/ Fire</u>
2015	91,124	11,984	45,508	6,345	2.0	1.9
2016	93,030	12,137	47,899	6,716	1.9	1.8
2017	93,276	12,525	50,091	7,108	1.9	1.8
2018	94,615	12,891	52,377	7,442	1.8	1.7
2019	96,072	13,095	54,678	7,788	1.8	1.7
2020	98,228	13,587	56,733	8,134	1.7	1.7
2021	93,796	13,134	59,069	8,686	1.6	1.5
2022	95,785	12,850	61,268	9,142	1.6	1.4
2023	99,132	12,887	63,399	9,479	1.6	1.4
2024	102,308	13,457	65,043	9,820	1.6	1.4

*Information provided by Segal, the System's actuary

**Excludes survivors and beneficiaries

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STATISTICS

Average Age and Service Statistics for Members*

As of June 30	Regular		Police/Fire	
	Average Age	Average Years of Service	Average Age	Average Years of Service
2015	46.2	10.0	40.8	11.6
2016	46.0	9.9	40.7	11.5
2017	45.9	9.8	40.2	11.2
2018	45.8	9.9	39.9	11.1
2019	45.7	9.7	39.8	11.0
2020	45.7	9.7	39.5	10.8
2021	45.8	10.0	39.3	10.8
2022	45.7	9.8	39.3	10.8
2023	45.5	9.6	39.2	10.8
2024	45.5	9.4	39.0	10.4

Average Salaries for Members*

As of June 30	Regular	Increase (Decrease)	Police/Fire	Increase (Decrease)
2015	\$ 47,840		\$ 72,417	0.6
2016	47,922	0.2 %	73,179	1.1 %
2017	49,502	3.3	73,841	0.9
2018	51,193	3.4	76,549	3.7
2019	52,007	1.6	79,586	4.0
2020	53,013	1.9	78,712	(1.1)
2021	54,572	2.9	81,303	3.3
2022	54,991	0.8	83,489	2.7
2023	57,108	3.8	87,255	4.5
2024	62,670	9.7	92,752	6.3
Average annual increase 2015 - 2024		3.1 %		2.8 %

*Information provided by Segal, the System's actuary

STATISTICS (CONTINUED)

Average Benefit Payments

Regular

<u>June 30</u>	<u>Average Monthly Benefit*</u>	<u>Number of Retirees*</u>	<u>Average Years of Service</u>	<u>Average Age</u>	<u>Average Monthly Compensation</u>
2015	\$2,764	45,508	18.87	66	\$5,129
2016	2,813	47,899	18.88	67	5,180
2017	2,859	50,091	18.88	67	5,228
2018	2,923	52,377	18.95	67	5,284
2019	3,004	54,678	19.00	68	5,349
2020	3,100	56,733	19.10	68	5,427
2021	3,183	59,069	19.17	69	5,499
2022	3,292	61,268	19.25	69	5,571
2023	3,412	63,399	19.30	70	5,645
2024	3,541	65,043	19.38	70	5,727

Police/Fire

<u>June 30</u>	<u>Average Monthly Benefit*</u>	<u>Number of Retirees*</u>	<u>Average Years of Service</u>	<u>Average Age</u>	<u>Average Monthly Compensation</u>
2015	\$4,961	6,345	22.39	60	\$7,862
2016	5,099	6,716	22.45	60	8,002
2017	5,236	7,108	22.46	60	8,144
2018	5,374	7,442	22.46	60	8,283
2019	5,554	7,788	22.52	61	8,434
2020	5,735	8,134	22.55	61	8,589
2021	5,915	8,686	22.59	61	8,769
2022	6,128	9,142	22.59	61	8,942
2023	6,355	9,479	22.58	62	9,090
2024	6,619	9,820	22.61	62	9,284

*Information provided by Segal, the System's actuary.

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PARTICIPATING EMPLOYERS

Participating Agencies	2015		
	Covered Employees	Rank	Percentage of Total System
Clark County School District	32,002	1	31.0 %
State of Nevada	17,686	2	17.2
Washoe County School District	7,537	3	7.3
Clark County	7,059	4	6.9
Las Vegas Metropolitan Police Department	4,821	5	4.7
University Medical Center of Southern Nevada	3,227	6	3.1
City of Las Vegas	2,599	7	2.5
Washoe County	2,345	8	2.3
City of Henderson	2,088	9	2.0
University of Nevada, Reno	1,875	10	1.8
Subtotal	81,239		78.8
All other	21,869		21.2
Total 2015 (195 Agencies)	103,108		100.0 %

Participating Agencies	2024		
	Covered Employees	Rank	Percentage of Total System
Clark County School District	34,043	1	29.4 %
State of Nevada	17,988	2	15.5
Clark County	7,302	3	6.3
Washoe County School District	7,027	4	6.1
Las Vegas Metropolitan Police Department	6,027	5	5.2
Nevada System of Higher Education (NSHE)	3,917	6	3.4
University Medical Center of Southern Nevada	3,757	7	3.2
Washoe County	2,847	8	2.5
City of Las Vegas	2,769	9	2.4
City of Henderson	2,581	10	2.2
Subtotal	88,258		76.2
All other*	27,507		23.8
Total 2024 (229 Agencies)	115,765		100.0 %

*In 2024 "All other" consisted off:		
Agency Type	Number of Agencies	Covered Employees
State of Nevada and Related Agencies	25	1,476
Schools	73	12,235
Counties	14	3,083
Cities	17	5,167
Hospitals	7	852
Utility, Irrigation, and Sanitation Districts	18	920
Special Districts and Agencies	65	3,774
Subtotal	219	27,507
Largest Ten Participating Employers	10	88,258
Total	229	115,765

REPORTING STANDARDS

Financial data presented in this report is derived from the information contained in PERS' ACFR. However, it does not include all funds administered by PERS nor contain other information required to be in conformity with GAAP. PERS' ACFR is produced in conformity with GAAP. The ACFR and PAFR can be found on our website: www.nvpers.org/publications/reports.

CONTACT INFORMATION

Office Locations:

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Las Vegas, Nevada 89119
(702) 486-3900
Fax: (702) 678-6934

Toll Free: 1-866-473-7768

Website: www.nvpers.org

Business Hours

8:00 a.m. – 5:00 p.m., Monday – Friday