

**NEVADA STATE BOARD OF ACCOUNTANCY**

**AUDIT OF FINANCIAL STATEMENTS**

**JUNE 30, 2024**

# NEVADA STATE BOARD OF ACCOUNTANCY

JUNE 30, 2024

## Table of Contents

	<u>Page</u>
MANAGEMENT'S DISCUSSION AND ANALYSIS	1-4
INDEPENDENT AUDITOR'S REPORT	5-7
FINANCIAL STATEMENTS	
Statement of Net Position and Governmental Fund Balance Sheet	8
Statement of Activities and Governmental Fund Revenue, Expenditures and Changes in Fund Balance	9
Notes to Financial Statements	10-26
REQUIRED SUPPLEMENTARY INFORMATION	
Budget to Actual Comparison — Accrual Basis	27-28
Schedule of Employer's Share of Net Pension Liability — Nevada Public Employees' Retirement System, Last 10 Fiscal Years	29
Schedule of Employer Contributions —Nevada Public Employees' Retirement System, Last 10 Fiscal Years	30
Schedule of Employer's Share of Net OPEB Liability — Nevada Public Employees' Benefit Program, Last 10 Fiscal Years	31
Schedule of Employer Contributions —Nevada Public Employees' Benefits Program, Last 10 Fiscal Years	32
Notes to Required Supplementary Information	33
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 <i>GOVERNMENT AUDITING STANDARDS</i>	34-35

**NEVADA STATE BOARD OF ACCOUNTANCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

Our discussion and analysis of the Nevada State Board of Accountancy's (the "Board") financial condition and activities for the fiscal year ended June 30, 2024, is presented in conjunction with the audited financial statements.

**Financial Highlights**

- The Board's net position decreased by approximately \$66,000 during the current fiscal year.
- Program revenue for the fiscal year ended June 30, 2024 was approximately \$677,000, representing a \$8,000 increase from prior fiscal year. The change is primarily due to an increase in candidates sitting for the Certified Public Accountants exams and an increase in the reciprocal license applications.
- Board operations expenditures decreased by approximately \$76,000 from prior fiscal year due primarily to a decrease in software support costs.

**Overview of Annual Financial Report**

Management's Discussion and Analysis (MD&A) serves as an introduction to, and should be read in conjunction with, the basic audited financial statements and required supplementary information. The MD&A represents management's examination and analysis of the Board's financial condition and performance. Summary financial statement data, key financial and operational indicators used in the Board's strategic plan, budget, and other management tools were used for this analysis.

The Board uses the modified accrual basis of accounting for internal financial statement reporting. The financial statements of the Board have been prepared in accordance with generally accepted accounting principles as applied to governmental units. The financial statements include a Statement of Net Position and Governmental Fund Balance Sheet, a Statement of Activities and Governmental Fund Revenue, Expenditures and Changes in Fund Balance and Notes to Financial Statements.

The *Statement of Net Position and Governmental Fund Balance Sheet* presents the financial position of the Board on both the modified accrual basis to present the general fund and the full accrual basis to present the government-wide financial statements. The statement presents information on all of the Board's assets and liabilities, deferred inflows and outflows, with the difference reported as fund balance or net position. Over time, increases and decreases in fund balance or net position are one indicator of whether the financial position of the Board is improving or deteriorating.

While the Statement of Net Position and Governmental Fund Balance Sheet provides information about the nature and amount of resources and obligations as of year-end, the *Statement of Activities and Governmental Fund Revenue, Expenditures and Changes in Fund Balance* presents the results of the activities over the course of the fiscal year and information as to how the net position or fund balance changed during the year. The fund balance changes under the modified accrual method when revenue is received or the expenditure is made, while changes in net position under the full accrual method are recorded as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. This statement also provides certain information about the Board's recovery of its costs.

The *Notes to Financial Statements* provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the Board's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

**NEVADA STATE BOARD OF ACCOUNTANCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

**CONDENSED STATEMENT OF NET POSITION**

	<u>2024 Actual Government- Wide</u>	<u>2023 Actual Government- Wide</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,177,619	\$ 1,221,772
Accounts receivable	1,600	1,600
Capital assets, net of accumulated depreciation	479,994	162,483
Prepaid expenses	4,662	3,623
Total assets	<u>1,663,875</u>	<u>1,389,478</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources (Note 5 and Note 6)	<u>180,522</u>	<u>201,535</u>
Total assets and deferred outflows of resources	<u>1,844,397</u>	<u>1,591,013</u>
<b>LIABILITIES</b>		
Current liabilities	333,519	333,092
Non-current liabilities	<u>1,267,820</u>	<u>947,485</u>
Total liabilities	<u>1,601,339</u>	<u>1,280,577</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources (Note 5 and Note 6)	<u>43,777</u>	<u>44,980</u>
Total liabilities and deferred inflows of resources	<u>1,645,116</u>	<u>1,325,557</u>
<b>NET POSITION</b>		
Net investment in capital assets	(23,676)	(10,775)
Unrestricted	<u>222,957</u>	<u>276,231</u>
Total net position	<u>\$ 199,281</u>	<u>\$ 265,456</u>

**NEVADA STATE BOARD OF ACCOUNTANCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

**CONDENSED STATEMENT OF ACTIVITIES**

	2024 Actual Government- Wide	2024 Budget	2023 Actual Government- Wide
<b>EXPENDITURES</b>			
Board operations	\$ 234,998	\$ 270,501	\$ 310,645
Personnel	444,197	421,991	414,428
Travel	45,509	51,800	51,921
Depreciation and amortization	28,706	-	16,112
Interest	20,728	-	7,311
	<u>774,138</u>	<u>744,292</u>	<u>800,417</u>
<b>PROGRAM REVENUE</b>			
Fees, licensing, and permits (charges for service)	677,016	642,630	668,702
Other operating income	150	300	375
	<u>677,166</u>	<u>642,930</u>	<u>669,077</u>
<b>GENERAL REVENUE</b>			
Investment income	<u>30,797</u>	<u>6,000</u>	<u>8,541</u>
	<u>707,963</u>	<u>648,930</u>	<u>677,618</u>
Change in net position	(66,175)	(95,362)	(122,799)
<b>NET POSITION</b>			
Beginning of year	<u>265,456</u>	<u>265,456</u>	<u>388,255</u>
End of year	<u><u>\$ 199,281</u></u>	<u><u>\$ 170,094</u></u>	<u><u>\$ 265,456</u></u>

**NEVADA STATE BOARD OF ACCOUNTANCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

**Financial Analysis**

The basic financial statements and the required supplementary information serve as the key financial data for the Board members' and management's monitoring and planning. Comments regarding budget-to-actual variances and year-to-year variances are included in the following Results of Operations section.

**Financial Condition**

The Board's financial condition remains strong as of year-end with adequate liquid assets. The current financial condition and staff capabilities are sufficient to meet anticipated operating expenses and operational objectives.

**Results of Operations**

**Revenues:** The program revenue received by the Board is generated through the registration, renewal and licensure of certified public accountants. Total revenue received by the Board for the fiscal year ended June 30, 2024 was approximately \$677,000, representing an \$8,000 increase from the fiscal year ended June 30, 2023. When compared to budgeted amounts, program revenue increased approximately \$34,000, primarily due to greater than anticipated exam fees and licensing fees.

**Expenses:** Total expenses for the fiscal year were approximately \$774,000. Compared to the fiscal year ending June 30, 2023, this represents a decrease of approximately \$26,000 resulting primarily from a reduction in operations expenses. When compared to the budget, overall expenses were approximately \$30,000 greater than expected because budget is prepared on modified accrual basis, and no budget is set for depreciation and amortization expenses, and interest expense related to amortization of the lease payments.

**Operations:** Operating expenses decreased by approximately \$76,000 when compared to the prior fiscal year. This decrease is primarily related to lower costs associated with the new website development and testing.

Personnel expenses increased by approximately \$30,000 when compared to the prior fiscal year. This is primarily related to the increase in accrued compensated absences liabilities.

Travel expenses decreased by approximately \$6,000 when compared to the prior fiscal year. This is primarily related to lower than anticipated transportation expenditures.

Depreciation and amortization expenses increased by approximately \$13,000 compared to the prior fiscal year, and recognized interest expense pertaining to the amortization of the lease payments per GASB Statement 87 increased by approximately \$13,000.

**Economic Factors**

The Board is charged with, and given statutory authority, to provide public protection through the licensure and regulation of Certified Public Accountants. The Board provides direction of staff actions toward its mission of public protection through licensure and disciplinary measures.

*Casey Neilson, Inc.*  
**Accountants and Advisors**

**INDEPENDENT AUDITOR'S REPORT**

To the Members of the Board  
Nevada State Board of Accountancy  
Reno, Nevada

**Report on the Audit of the Financial Statements**

**Opinions**

We have audited the accompanying financial statements of the governmental activities and general fund of the Nevada State Board of Accountancy (the "Board") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and general fund of the Board as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Board, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**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 Board'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 generally accepted auditing standards 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 generally accepted auditing standards 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 Board'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 Board'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, budgetary comparison information, pension and other post-employment benefits information on pages 1-4, 27-28, 29-33, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2024 on our consideration of the Board'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 Board'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 Board's internal control over financial reporting and compliance.

*Casey Neilon, Inc.*

Carson City, Nevada  
November 13, 2024

**NEVADA STATE BOARD OF ACCOUNTANCY**  
**STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET**  
**JUNE 30, 2024**

	General Fund	Adjustments (Note 7)	Government- Wide
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,177,619	\$ -	\$ 1,177,619
Accounts receivable	1,600	-	1,600
Capital assets, net	-	479,994	479,994
Prepaid expenses	4,662	-	4,662
Total assets	<u>1,183,881</u>	<u>479,994</u>	<u>1,663,875</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Other post-employment benefits (Note 6)	-	11,620	11,620
Pension benefits (Note 5)	-	168,902	168,902
Total deferred outflows of resources	<u>-</u>	<u>180,522</u>	<u>180,522</u>
Total assets and deferred outflows of resources	<u>\$ 1,183,881</u>	<u>\$ 660,516</u>	<u>\$ 1,844,397</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	\$ 7,234	\$ -	\$ 7,234
Accrued compensated absences	4,692	64,387	69,079
Lease liability	-	9,439	9,439
Licensing fees received in advance	247,767	-	247,767
Total current liabilities	<u>259,693</u>	<u>73,826</u>	<u>333,519</u>
Non-current liabilities			
Lease liability, noncurrent	-	494,231	494,231
Net other post-employment benefits liability	-	221,612	221,612
Net pension liability	-	551,977	551,977
Total non-current liabilities	<u>-</u>	<u>1,267,820</u>	<u>1,267,820</u>
Total liabilities	<u>259,693</u>	<u>1,341,646</u>	<u>1,601,339</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Other post-employment benefits (Note 6)	-	18,317	18,317
Pension benefits (Note 5)	-	25,460	25,460
Total deferred inflows of resources	<u>-</u>	<u>43,777</u>	<u>43,777</u>
Total liabilities and deferred inflows of resources	<u>259,693</u>	<u>1,385,423</u>	<u>1,645,116</u>
<b>FUND BALANCE / NET POSITION</b>			
Fund Balance			
Nonspendable	4,662	(4,662)	-
Unassigned	919,526	(919,526)	-
Total fund balance	<u>924,188</u>	<u>(924,188)</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 1,183,881</u>		
Net Position			
Net investment in capital asset		(23,676)	(23,676)
Unrestricted		222,957	222,957
Total net position		<u>\$ 199,281</u>	<u>\$ 199,281</u>

See notes to the financial statements

**NEVADA STATE BOARD OF ACCOUNTANCY**  
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUE,**  
**EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	General Fund	Adjustments (Note 7)	Government- Wide
<b>EXPENDITURES</b>			
Board operations	\$ 736,254	\$ (11,550)	\$ 724,704
Depreciation	-	942	942
Amortization	-	27,764	27,764
Interest	-	20,728	20,728
	<hr/>	<hr/>	<hr/>
Total expenditures	736,254	37,884	774,138
<b>PROGRAM REVENUE</b>			
Fees, licensing, and permits (charges for service)	677,016	-	677,016
Other operating income	150	-	150
	<hr/>	<hr/>	<hr/>
Total program revenue	677,166	-	677,166
	<hr/>	<hr/>	<hr/>
Net program expense	(59,088)	(37,884)	(96,972)
<b>GENERAL REVENUE AND OTHER CHANGES</b>			
Investment income	30,797	-	30,797
	<hr/>	<hr/>	<hr/>
Total general revenue	30,797	-	30,797
Excess (deficiency) of revenues over (under) expenditures	(28,291)	28,291	-
Change in net position		(66,175)	(66,175)
<b>FUND BALANCE / NET POSITION</b>			
Beginning of year	952,479	(687,023)	265,456
	<hr/>	<hr/>	<hr/>
End of year	\$ 924,188	\$ (724,907)	\$ 199,281
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See notes to the financial statements

**NEVADA STATE BOARD OF ACCOUNTANCY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Nevada State Board of Accountancy (the “Board”) was created in 1913 and obtained statutory authority in 1960. The Board is regulated by the Nevada Revised Statutes, which also specify the authorized activities of the Board. The Board is the licensing and regulatory agency for the practice of accounting in the State of Nevada.

The financial statements of the Board have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of the significant accounting policies used by the Board.

Reporting Entity

Effective July 1, 2001, Chapter 353.005 of the Nevada Revised Statutes (NRS) was amended to exempt certain professional and occupational boards from the Nevada State Budget Act and the provisions governing the administration of state funding. The provisions of Chapter 353.005 do not apply to boards created by the provisions of NRS 590.485 and chapters 623 and 625A, inclusive, 628, 630 to 644A, inclusive, 648, 654 and 656 of the NRS and the officers and employees thereof. Accordingly, the Board's budgeting and accounting practices and procedures have been removed from the oversight of the Department of Administration.

The Board's financial statements are not included in the general-purpose financial statements of the State of Nevada since the State does not exercise financial or administrative control over the Board. This is in conformance with GASB Codification Section 2100, *Defining the Financial Reporting Entity*.

Basis of Presentation

The Board is defined as a single-program special-purpose entity under GASB Statement No. 14, paragraph 131 as amended by GASB Statement No. 39. This classification allows for the preparation of GASB Statement No. 34 financial statements, as amended by GASB Statement No. 63, under an optional reporting method which combines the fund and government-wide statements into a single presentation. Under standard GASB Statement No. 34 methodology, the government-wide statement of net position and statement of activities are presented independently from the respective fund balance sheet and statement of revenues, expenditures, and fund balance. A reconciliation of adjustments provided on the modified financial statements demonstrates the changes from the fund financial statements to the government-wide financial statements in order to assist the reader in evaluating these statements. The Board has utilized this optional method of presentation.

**NEVADA STATE BOARD OF ACCOUNTANCY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting

Under Chapter 628.140 of the Nevada Revised Statutes, the general fund of the Board is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures to be used solely for the Board's benefit. According to statute, any money deposited to the Nevada State Board of Accountancy does not revert to the State of Nevada's general fund. The net assets of the general fund are restricted solely to be used by the Board to meet its obligation of licensing and regulating the practice of public accounting in the State of Nevada.

Basis of Accounting

The government-wide financial 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 related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is 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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The Board has only governmental fund types.

Budget Data

The Board prepares an annual budget. The budget is prepared on a basis similar to generally accepted accounting principles under the modified accrual basis of accounting. All annual appropriations lapse as of fiscal year-end.

Accounts Receivable

For the governmental fund financial statements, the accounts receivable represents fees and fines collected within 60 days subsequent to year-end that are an available resource for the current year. For the government-wide financial statements the accounts receivable represents fees and fines due as of year-end. All amounts are considered collectible by management.

Cash and Cash Equivalents

Cash is maintained in one commercial bank in Reno, Nevada. The Board participates in the State of Nevada collateralization program to assure that funds deposited are protected.

**NEVADA STATE BOARD OF ACCOUNTANCY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents (Continued)

Cash also consists of time certificates of deposit, which are stated at fair value. The net increase (decrease) in the fair value of the investments is the difference between the cost (if purchased during the fiscal year) or the fair value of the investments at the beginning of the year, and the fair value of the investments at the end of the year. Changes in fair value of the certificates are reflected, together with interest income, as investment income in the accompanying financial statements. The Board's certificates are held in its name and it participates in the State of Nevada Pooled Collateral Program to assure that funds deposited are protected. By statute, all cash must be deposited in entities that are located in the State of Nevada.

The Board has not adopted formal policies that limit the allowable deposits and address the specific types of risk to which the Board is exposed. Due to the nature of holdings, the Board does not believe it is exposed to significant risk.

Capital Assets

Capital assets, which include furniture, fixtures, and equipment are reported in the government-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,500 and an estimated useful life of at least one year. Such assets are recorded at historical cost. Donated assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are expensed as incurred. Capital assets are depreciated using the straight-line method over 3 to 20 years.

Under the modified accrual basis of accounting, acquisitions are considered expenditures in the year purchased.

Right-of-Use Assets

Right-of-Use (ROU) assets are recognized at the lease commencement date and represent the Board's right of use of an underlying asset for a specified term. ROU assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement and initial direct costs.

Lease Liability

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

Compensated Absences

It is the Board's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. A liability is reported for unpaid accumulated vacation or sick leave on the general fund balance sheet if amounts were paid within 60 days subsequent to year end.

**NEVADA STATE BOARD OF ACCOUNTANCY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Licensing Fees Received in Advance

By provisions of statute, the Board administers its licensing registration on a calendar year basis. Licensing fees received in advance represents revenue from the calendar year renewals that relates ratably over the next fiscal year.

Deferred Outflows and Inflows of Resources

In addition to assets, a separate section is reported for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, a separate section is reported for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

Fund Equity and Net Position

As defined in GASB Statement No. 54, in the governmental fund financial statement, fund balances are classified as follows:

- Nonspendable - represents amounts that are either not in a spendable form or are legally or contractually required to remain intact. Prepaid expenses are classified as nonspendable fund balance.
- Restricted - amounts that can be used only for specific purposes due to (a) constitutional provisions or enabling legislation or (b) externally imposed constraints.
- Committed - amounts that can be used only for specific purposes due to a formal action of the governing body.
- Assigned - amounts intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed.
- Unassigned - represents all amounts not included in other classifications.

The Board's policy is to first apply expenditures against restricted fund balances. In instances where an unrestricted fund balance type could be used, it is the Board's policy to first apply expenditures against committed fund balances. On an annual basis, when applicable, assigned fund balances are determined based upon available resources.

In the government-wide financial statements, net position is classified, as follows:

- Net investment in capital assets - amount of capital assets, net of accumulated depreciation and lease assets, net of accumulated amortization and any related debt.

**NEVADA STATE BOARD OF ACCOUNTANCY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity and Net Position (Continued)

- Restricted net position - consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position - amounts not included in other classifications.

The Board's policy is to first apply restricted net position when an expenditure is incurred for which both restricted and unrestricted net position are available.

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, related deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Self Insurance Trust Fund, Public Employees' Benefits Program (PEBP) and additions to/deductions from PEBP's fiduciary net position have been determined on the same basis as they are reported by PEBP. For this purpose, PEBP recognizes benefit payments when due and payable in accordance with the benefit terms. PEBP's cash and cash equivalents consist of short-term, highly liquid investments that are both (a) readily convertible to known amounts of cash and (b) so near to maturity that they present insignificant risk of changes in value due to changing interest rates.

Use of 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.

Memorandum Only - Total Columns

Total columns in the financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, changes in net assets or cash flows in conformity with generally accepted accounting principles.



**NEVADA STATE BOARD OF ACCOUNTANCY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncement – Adopted

During the year ended June 30, 2024, the Board implemented the provisions of GASB Statement No. 100, *Accounting Changes and Error Corrections*. Issued in June 2022, the primary 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.

New Accounting Pronouncements – Not Yet Adopted

The following GASB pronouncements have been issued, but are not effective as of June 30, 2024:

GASB Statement No. 101, *Compensated Absences*. Issued in June 2022, Governments commonly provide benefits to employees in the form of compensated absences. The primary 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. GASB Statement No. 101 will be effective for the Board for fiscal year ending June 30, 2025.

GASB Statement No. 102, *Certain Risk Disclosures*. Issued in December 2023, the primary objective of this Statement is to enhance the quality and completeness of financial reporting by ensuring that stakeholders are informed about significant risks that could impact the entity's financial position. GASB Statement No. 102 will be effective for the Board for fiscal year ending June 30, 2025.

The Board will implement new GASB pronouncements no later than the required effective date. The Board is currently evaluating whether or not the above listed new GASB pronouncements will have a significant impact on the Board's financial statements.

Subsequent Events

Subsequent events have been evaluated through November 13, 2024, which is the date the financial statements were available to be issued.

NOTE 2. CASH AND CASH EQUIVALENTS

The Board maintains its deposit accounts and certificates of deposit in one major commercial bank. The time certificates of deposit are held in the name of the Board. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution, per depositor.

The bank balances at June 30, 2024 totaled \$1,178,496. Of this amount, \$250,000 was insured by the FDIC and the balance of \$928,496 was collateralized with securities held by the State of Nevada Pooled Collateral Program.

By provisions of statutes, the Board is required to deposit all money in banks or savings and loan associations located in the State of Nevada.

**NEVADA STATE BOARD OF ACCOUNTANCY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 3. CAPITAL ASSETS

The Board has custodial responsibility to the State of Nevada for furniture, fixtures, and equipment and ROU assets acquired with resources of the Board. The capital asset activity during the year is as follows:

	<u>2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>2024</u>
Capital assets, being depreciated/amortized				
Office furniture and equipment	\$ 103,090	\$ 6,548	\$ -	\$ 109,638
Right-of-use asset, office space	205,187	327,838	-	533,025
Right-of-use asset, copier	<u>-</u>	<u>11,831</u>	<u>-</u>	<u>11,831</u>
Total capital assets, being depreciated/amortized	<u>308,277</u>	<u>346,217</u>	<u>-</u>	<u>654,494</u>
Less accumulated depreciation/amortization for				
Accumulated amortization	(46,751)	(27,764)	-	(74,515)
Accumulated depreciation	<u>(99,043)</u>	<u>(942)</u>	<u>-</u>	<u>(99,985)</u>
Total accumulated depreciation/amortization	<u>(145,794)</u>	<u>(28,706)</u>	<u>-</u>	<u>(174,500)</u>
	<u>\$ 162,483</u>	<u>\$ 317,511</u>	<u>\$ -</u>	<u>\$ 479,994</u>

NOTE 4. LEASE LIABILITY

The Board currently leases office space in Reno, Nevada. The existing lease of office space commenced on July 1, 2023 and is set to expire on June 30, 2033, with an option to extend for one ten-year period. Payments are due monthly with a 4% escalation per annum. As the Board is reasonably certain to exercise the option to extend, the lease liability and related ROU asset reflect the extended term. The existing lease of the copier commenced on January 16, 2023 and is set to expire on January 15, 2028.

Lease liability activity is as follows:

	<u>2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>2024</u>	<u>Current Portion</u>
Right-of-use asset, office space	\$ 173,258	\$ 327,838	\$ (5,870)	\$ 495,226	\$ 7,158
Right-of-use asset, copier	<u>-</u>	<u>11,831</u>	<u>(3,387)</u>	<u>8,444</u>	<u>2,281</u>
	<u>\$ 173,258</u>	<u>\$ 339,669</u>	<u>\$ (9,257)</u>	<u>\$ 503,670</u>	<u>\$ 9,439</u>

**NEVADA STATE BOARD OF ACCOUNTANCY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 4. LEASE LIABILITY (CONTINUED)

Future minimum payments are required as follows during the years ended June 30:

	Principal	Interest	Total
2025	\$ 9,439	\$ 20,410	\$ 29,849
2026	10,902	20,038	30,940
2027	12,468	19,606	32,074
2028	12,958	19,110	32,068
2029	13,304	18,591	31,895
2030 and after	444,599	162,152	606,751
	<u>\$ 503,670</u>	<u>\$ 259,907</u>	<u>\$ 763,577</u>

NOTE 5. PENSION

General Information about the Pension Plan

*Plan Description*

Public Employees' Retirement System of Nevada (PERS or System) administers a cost-sharing, multiple-employer, defined benefit public employees' retirement system which includes both Regular and Police/Fire members. The System was established by the Nevada Legislature in 1947, effective July 1, 1948. The System is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

*Benefits Provided*

Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service as of 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, and July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

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

Post-retirement increases are provided by authority of NRS 286.575 - 286.579.

**NEVADA STATE BOARD OF ACCOUNTANCY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 5. PENSION (CONTINUED)

*Vesting*

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

The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Regular members become fully vested as to benefits upon completion of 5 years of service.

*Contributions*

The authority for establishing and amending the obligation to make contributions and member contribution rates is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. In one plan, contributions are shared equally by employer and employee. In the other plan, employees can take a reduced salary and have contributions made by the employer.

The System's 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.

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

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

For the year ended June 30, 2023, the statutory employer/employee matching rate was 17.50% for Regular members. The EPC rate was 33.50% for Regular members.

**NEVADA STATE BOARD OF ACCOUNTANCY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 5. PENSION (CONTINUED)

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

At June 30, 2024, the Board reported a liability of \$551,977 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Board's proportion of the net pension liability was based on total contributions due on wages paid during the measurement period. Each employer's proportion of the net pension liability is based on their employer contributions relative to the total combined employer contributions for all employers for the period ended June 30, 2023. At June 30, 2024, the Board's proportion was 0.00302%.

For the year ended June 30, 2024, the Board recognized pension expense of \$61,436. Board contributions totaling \$45,225 made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	\$ 71,946	\$ -
Change in assumptions	51,731	-
Net difference between projected and actual investment earnings on pension plan investments	-	5,167
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	20,293
Contributions subsequent to the measurement date	45,225	-
	\$ 168,902	\$ 25,460

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, without regard to the contribution subsequent to the measurement date, will be recognized in pension expense (contribution) as follows during the year ended June 30:

2025	\$ 12,662
2026	11,698
2027	67,702
2028	4,776
2029	1,379
	\$ 98,217

**NEVADA STATE BOARD OF ACCOUNTANCY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 5. PENSION (CONTINUED)

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

The net difference between projected and actual investment earnings on pension plan investments will be recognized over 5 years. All the other above deferred outflows and deferred inflows will be recognized over the average expected remaining service lives, which was 5.63 years for the period ended June 30, 2023.

Reconciliation of the net pension liability as of June 30, 2024 is as follows:

Beginning net pension liability	\$ 562,744
Pension expense	61,436
Employer contributions	(35,008)
Prior year net deferred outflows	<u>(37,195)</u>
Ending net pension liability	<u>\$ 551,977</u>

*Actuarial Assumptions*

The System's net pension liability was measured as of June 30, 2023, 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%
Productivity pay increase	0.50%
Projected salary increases	Regular: 4.20% to 9.10%, depending on service; Rates include inflation and productivity increases
Investment rate of return	7.25%
Other assumptions	Same as those used in the June 30, 2023, funding actuarial valuation

Actuarial assumptions used in the June 30, 2023 valuation were based on the results of the experience study for the period of July 1, 2016 through June 30, 2020.

The discount rate used to measure the total pension liability was 7.25% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed plan contributions will be made 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, 2023.

**NEVADA STATE BOARD OF ACCOUNTANCY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 5. PENSION (CONTINUED)

*Investment Policy*

The System's policies which determine the investment portfolio target asset allocation are established by the Retirement Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System.

The following was the Retirement Board's adopted policy target asset allocation as of June 30, 2023:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return*
Domestic stocks	42%	5.50%
International stocks	18%	5.50%
U.S. bonds	28%	0.75%
Private markets	12%	6.65%

\*As of June 30, 2023, PERS' long-term inflation assumption was 2.50%

*Discount Rate and Pension Liability Discount Rate Sensitivity*

The following presents the Board's proportionate share of net pension liability of the System as of June 30, 2023, calculated using the discount rate of 7.25%, as well as what the System 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 discount rate:

	1% Decrease in (6.25%)	Discount Rate (7.25%)	1% Increase in (8.25%)
Net pension liability	\$ 857,807	\$ 551,977	\$ 298,228

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in PERS' Annual Comprehensive Financial Report (ACFR), available on the PERS website at [www.nvpers.org](http://www.nvpers.org).

Additional Information

Additional information supporting the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer is located in the PERS Annual Comprehensive Financial Report (ACFR) available on the PERS website at [www.nvpers.org](http://www.nvpers.org) under Quick Links - Publications.

**NEVADA STATE BOARD OF ACCOUNTANCY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 6. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

*Plan Description*

Employees of the Board are provided with OPEB through the Self Insurance Trust Fund, Public Employees' Benefits Program (PEBP) - a cost-sharing multiple employer defined benefit OPEB plan administered by the Public Employees' Benefits Program Board (PEBP Board) which was created in 1983 by the Nevada Legislature to administer 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. PEBP does not provide for refunds of employee contributions. The Self Insurance Trust Fund issues a publicly available financial report that can be obtained at <https://pebp.state.nv.us/>. The Board is reporting plan information consistent with the PEBP's accounting methods and assumptions as disclosed in the annual report. No information has come to our attention that indicates significant changes to the plan's disclosures.

*OPEB Benefits*

PEBP provides medical, dental, vision, mental health and substance abuse benefits, and also offers fully insured HMO products. Long-term disability and life insurance benefits are fully insured by outside carriers.

*Contributions*

Per NRS 287 contribution requirements of the participating entities and covered employees are established and may be amended by the PEBP Board. The Board's contractually required contribution for the year ended June 30, 2024 was \$8,505, actuarially determined as an amount that is expected to finance the costs of benefits earned by employees during the year. Employees are not required to contribute to the OPEB plan.

*OPEB Liabilities, OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEB*

At June 30, 2024, the Board reported a liability of \$221,612 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Board's proportion of the net OPEB liability was based on a projection of the Board's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating state agencies, actuarially determined. At June 30, 2024, the Board's proportion was 0.0152%.

For the year ended June 30, 2024, the Board recognized OPEB expense of \$4,236. Board contributions totaling \$8,505 made subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024.



**NEVADA STATE BOARD OF ACCOUNTANCY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 6. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

*OPEB Liabilities, OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEB (Continued)*

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ -	\$ 4,347
Changes of assumptions	3,115	13,906
Asset experience	-	64
Contributions made subsequent to the measurement date	8,505	-
	\$ 11,620	\$ 18,317

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB, without regard to the contribution subsequent to the measurement date and implicit subsidy, will be recognized in OPEB expense as follows:

2025	\$ (6,349)
2026	(7,372)
2027	(657)
2028	(649)
2029	(175)
	\$ (15,202)

*Actuarial Assumptions*

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	2.5%
Salary increases	Regular: 4.20% to 9.10%, depending on service
Investment rate of return	2.5%
Healthcare cost trend rates	4.80% increase effective July 1, 2023, then 7.25% graded down 0.25% to ultimate 4.5% over 11 years

Healthy mortality rates were based on the PUB-2010 Public Retirement Plans Safety Mortality Table weighted by Headcount, projected by MP-2020 for officers, and PUB-2010 Public Retirement Plans General Mortality Table weighted by Headcount, projected by MP2020 for civilians. Disabled mortality rates were based on the PUB-2010 Public Retirement Plans Safety Disabled Mortality Table weighted by Headcount, projected by MP-2020 for officers, and PUB-2010 Public Retirement Plans General Disabled Mortality Table weighted by Headcount, projected by MP-2020 for civilians.

The Net OPEB Liability was measured as of June 30, 2023. Plan fiduciary net position (plan assets) was valued as of the measurement date and the total OPEB liability was determined from the actuarial valuations using data as of June 30, 2022.

**NEVADA STATE BOARD OF ACCOUNTANCY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 6. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

*Discount Rate*

The discount rate basis under GASB Statement No. 75 is required to be 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 discount rates as of the measurement date of June 30, 2023 was 3.65%. Additional detail regarding the discount rates as of June 30, 2023 are provided in the "Actuarial Assumptions and Actuarial Cost Methods" section of the report provided by the PEBP Board.

*Sensitivity of the Board's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate*

The following presents the Board's proportionate share of the net OPEB liability, as well as what the Board's proportionate share of the 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:

	1% Decrease	Trend Rate	1% Increase
Net OPEB liability	\$ 243,074	\$ 221,612	\$ 202,996

*Sensitivity of the Board's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates*

The following presents the Board's proportionate share of the net OPEB liability, as well as what the Board's proportionate share of the 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:

	Health Care Cost Trend Rates		
	1% Decrease	Trend Rate	1% Increase
Net OPEB liability	\$ 210,151	\$ 221,612	\$ 234,763

*OPEB Plan Fiduciary Net Position*

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

**NOTE 7. CONVERSION TO GOVERNMENT-WIDE FINANCIAL STATEMENTS**

Adjustments on the face of the financial statements were made to the fund balance sheet and statement of revenue, expenditures and changes in fund balance in order to reconcile the fund financial statements to the government-wide statements of net position and activities. The amounts reported for the governmental activities in the statement of activities are different due to the adjustments as explained below.

**NEVADA STATE BOARD OF ACCOUNTANCY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 7. CONVERSION TO GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)

Governmental funds report cash outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. Additionally, revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Reconciliation between the Governmental Fund Revenue, Expenditures and Changes in Fund Balance and the Statement of Activities

Net change in fund balance — total governmental fund		\$ (28,291)
Change in capital and ROU assets:		
Capital assets	\$ 6,548	
ROU assets	339,669	
Accumulated depreciation	(942)	
Accumulated amortization	<u>(27,764)</u>	
		317,511
Change in deferred outflows:		
Other post-employment benefits	(2,888)	
Pension benefits	<u>(16,883)</u>	
		(19,771)
Change in liabilities:		
Accrued compensated absences	(19,112)	
Lease liability	(330,412)	
Net other post-employment benefits liability	1,930	
Net pension liability	<u>10,767</u>	
		(336,827)
Change in deferred inflows:		
Other post-employment benefits	10,056	
Pension benefits	<u>(8,853)</u>	
		<u>1,203</u>
Net change in net position — governmental activities		<u><u>\$ (66,175)</u></u>

**NEVADA STATE BOARD OF ACCOUNTANCY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 7. CONVERSION TO GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)

Reconciliation between the Governmental Fund Balance Sheet and the Statement of Net Position

Fund balance — total governmental fund		\$ 924,188
Capital and lease assets:		
Capital assets	\$ 109,638	
ROU assets	544,856	
Accumulated depreciation	(99,985)	
Accumulated amortization	<u>(74,515)</u>	
		479,994
Deferred outflows:		
Other post-employment benefits	11,620	
Pension benefits	<u>168,902</u>	
		180,522
Liabilities:		
Accrued compensated absences not paid out within 60 days	(64,387)	
Lease liability	(503,670)	
Net other post-employment benefits liability	(221,612)	
Net pension liability	<u>(551,977)</u>	
		(1,341,646)
Deferred inflows:		
Other post-employment benefits	(18,317)	
Pension benefits	<u>(25,460)</u>	
		<u>(43,777)</u>
Net position - governmental activities		<u><u>\$ 199,281</u></u>

NOTE 8. COMPLIANCE WITH NEVADA REVISED STATUTES AND NEVADA ADMINISTRATIVE CODE

The Board conformed to all significant statutory constraints on its financial administration during the fiscal year.

**NEVADA STATE BOARD OF ACCOUNTANCY**  
**BUDGET TO ACTUAL COMPARISON - ACCRUAL BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2024**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2023)**

	2024			2023
	Original and Final Budget	Actual Amounts Budgetary Basis	Variance to Final Budget Favorable (Unfavorable)	Actual (Memorandum Only)
<b>REVENUE</b>				
Fines and fees				
License fees	\$ 496,130	\$ 509,986	\$ 13,856	\$ 520,075
Examination fees	50,000	66,750	16,750	54,600
Fee recovery	37,000	42,560	5,560	41,375
Reciprocity fees	50,000	49,820	(180)	36,340
Firm registration fees	9,500	7,900	(1,600)	16,312
Other operating revenue	300	150	(150)	375
Investment return, net	6,000	30,797	24,797	8,541
Total revenue	648,930	707,963	59,033	677,618
<b>EXPENDITURES</b>				
Personnel				
Contracted employees	19,000	13,211	5,789	15,166
Board member per diem	6,600	4,350	2,250	9,150
Salaries	270,000	292,493	(22,493)	267,452
State retirement	90,450	106,661	(16,211)	82,605
Payroll taxes	5,369	4,903	466	4,926
Group insurance	30,572	25,273	5,299	35,129
	421,991	446,891	(24,900)	414,428
Travel	51,800	45,509	6,291	51,921

**NEVADA STATE BOARD OF ACCOUNTANCY**  
**BUDGET TO ACTUAL COMPARISON - ACCRUAL BASIS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2024**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2023)**

	2024			2023
	Original and Final Budget	Actual Amounts Budgetary Basis	Variance to Final Budget Favorable (Unfavorable)	Actual (Memorandum Only)
Other operating				
Audit	\$ 15,000	\$ 15,000	\$ -	\$ 15,000
Annual technology fees	52,350	38,879	13,471	119,453
Bank charges	19,800	20,003	(203)	19,799
Background investigation	7,700	6,722	978	8,050
Community outreach	16,553	16,553	-	8,050
Dues and registration	17,000	16,728	272	17,302
Repairs and maintenance	4,500	2,091	2,409	4,517
Exam expense	1,750	2,055	(305)	1,737
Fines to state	-	-	-	1,250
Insurance	6,833	6,192	641	6,187
Legal	65,000	69,824	(4,824)	65,025
Lobbying	21,600	23,800	(2,200)	21,600
Miscellaneous	3,100	2,788	312	6,921
Office rent	26,215	-	26,215	-
Office supplies	1,800	2,827	(1,027)	2,413
Postage	1,500	3,428	(1,928)	1,917
Printing and copying	1,000	-	1,000	1,505
Telephone	7,000	6,848	152	7,219
Transcript	1,800	1,260	540	2,700
	<u>270,501</u>	<u>234,998</u>	<u>35,503</u>	<u>310,645</u>
Total operations expenditures	<u>744,292</u>	<u>724,704</u>	<u>19,588</u>	<u>776,994</u>
Capital				
Amortization	-	27,764	(27,764)	15,583
Depreciation	-	942	(942)	529
Total capital	<u>-</u>	<u>28,706</u>	<u>(28,706)</u>	<u>16,112</u>
Interest	<u>-</u>	<u>20,728</u>	<u>(20,728)</u>	<u>7,311</u>
Total expenditures	<u>744,292</u>	<u>774,138</u>	<u>(29,846)</u>	<u>800,417</u>
Change in net position	<u>\$ (95,362)</u>	<u>\$ (66,175)</u>	<u>\$ 29,187</u>	<u>\$ (122,799)</u>

**NEVADA STATE BOARD OF ACCOUNTANCY**  
**SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY**  
**NEVADA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**  
**LAST 10 FISCAL YEARS\***

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability	0.00302%	0.00312%	0.00316%	0.00319%	0.32400%	0.00332%	0.00334%	0.00347%	0.00326%	0.00583%
Proportionate share of the net pension liability	\$ 551,977	\$ 562,744	\$ 288,330	\$ 444,250	\$ 442,282	\$ 452,779	\$ 444,769	\$ 467,082	\$ 373,165	\$ 338,834
Covered payroll	\$ 235,347	\$ 230,485	\$ 226,280	\$ 237,465	\$ 223,025	\$ 220,000	\$ 214,404	\$ 209,236	\$ 195,204	\$ 190,200
Proportionate share of the net pension liability as a percentage of its covered payroll	234.54%	244.16%	127.42%	187.08%	198.31%	205.81%	207.44%	223.23%	191.17%	178.15%
Plan fiduciary net position as a percentage of the total pension liability	76.16%	75.12%	86.51%	77.04%	76.46%	75.24%	74.40%	72.20%	75.10%	76.30%

**NEVADA STATE BOARD OF ACCOUNTANCY  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
NEVADA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
LAST 10 FISCAL YEARS\***

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 45,225	\$ 35,008	\$ 34,285	\$ 33,093	\$ 33,239	\$ 31,224	\$ 30,800	\$ 30,017	\$ 29,293	\$ 25,132
Contributions in relation to those contractually required	<u>(45,225)</u>	<u>(35,008)</u>	<u>(34,285)</u>	<u>(33,093)</u>	<u>(33,239)</u>	<u>(31,224)</u>	<u>(30,800)</u>	<u>(30,017)</u>	<u>(29,293)</u>	<u>(25,132)</u>
Board's covered payroll	\$ 270,000	\$ 235,347	\$ 230,485	\$ 226,280	\$ 237,465	\$ 223,025	\$ 220,000	\$ 214,404	\$ 209,236	\$ 195,204
Contributions as a percentage of covered payroll	16.75%	14.88%	14.88%	14.63%	14.00%	14.00%	14.00%	14.00%	14.00%	12.88%



**NEVADA STATE BOARD OF ACCOUNTANCY**  
**SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY**  
**NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM**  
**LAST 10 FISCAL YEARS\***

	2024	2023	2022	2021	2020	2019	2018
Proportion of the net OPEB liability	0.0152%	0.0155%	0.0155%	0.0121%	0.0127%	0.0130%	0.0133%
Proportionate share of the net OPEB liability	\$ 221,612	\$ 223,542	\$ 240,924	\$ 182,245	\$ 177,416	\$ 172,586	\$ 173,046
Board's covered payroll	\$ 235,347	\$ 230,485	\$ 226,280	\$ 237,465	\$ 223,025	\$ 220,000	\$ 214,404
Proportionate share of the net OPEB liability as a percentage of its covered payroll	106.20%	103.11%	106.47%	76.75%	79.55%	78.45%	80.71%
Plan fiduciary net position as a percentage of the total OPEB liability	-2.14%	-1.41%	-0.65%	-0.38%	0.02%	0.12%	0.11%

\*This schedule is presented to illustrate the requirement to show information for 10 years. Until 10 years of data is available, the Board will present information only for those years for which information is available.

**NEVADA STATE BOARD OF ACCOUNTANCY  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM  
LAST 10 FISCAL YEARS\***

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 8,505	\$ 6,351	\$ 6,149	\$ 5,318	\$ 5,212	\$ 5,163	\$ 5,054
Contributions in relation to those contractually required	<u>(8,505)</u>	<u>(6,351)</u>	<u>(6,149)</u>	<u>(5,318)</u>	<u>(5,212)</u>	<u>(5,163)</u>	<u>(5,054)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 270,092	\$ 235,347	\$ 230,485	\$ 226,280	\$ 237,465	\$ 223,025	\$ 220,000
Contributions as a percentage of covered payroll	3.15%	2.70%	2.67%	2.35%	2.19%	2.31%	2.30%

\*This schedule is presented to illustrate the requirement to show information for 10 years. Until 10 years of data is available, the Board will present information only for those years for which information is available.

**NEVADA STATE BOARD OF ACCOUNTANCY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 1. CHANGES IN ASSUMPTIONS

*OPEB*

Amounts reported in 2024 reflect actuarial assumption changes effective June 30, 2023 based on the results of 2020 actuarial experience study conducted for the Public Employee's Retirement System of the State of Nevada, dated September 10, 2021. This includes changes to the mortality tables, disability incidence rates, retirement rates, administrative expenses, salary scale and percent married assumption. As of the measurement date of June 30, 2023, the discount rate increased from 3.54% to 3.65% when compared to the prior measurement date of June 30, 2022.

*Casey Neilson, Inc.*

**Accountants and Advisors**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Members of the Board  
Nevada State Board of Accountancy  
Reno, 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, the financial statements of the governmental activities and general fund of the Nevada State Board of Accountancy (the "Board"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated November 13, 2024.

**Report on Internal Control over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

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

### **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 Board'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Casey Neilson, Inc.*

Carson City, Nevada  
November 13, 2024