

**NEVADA STATE BOARD OF
PROFESSIONAL ENGINEERS
AND
LAND SURVEYORS**



**Special Board Meeting
November 20, 2025
Reno, NV**

1. Meeting Call to Order

2. Public Comment

3. Independent Financial Audit Report FY 2024/2025 Review

**Nevada State Board of Professional
Engineers and Land Surveyors
Reno, Nevada**

**Financial Report
Year Ended June 30, 2025**

Nevada State Board of Professional Engineers and Land Surveyors

Year Ended June 30, 2025

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Casey Neilon, Inc.
Accountants and Advisors

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Nevada State Board of Professional Engineers and Land Surveyors
Reno, Nevada

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Nevada State Board of Professional Engineers and Land Surveyors ("the Board") as of and for the year ended June 30, 2025, 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 the major fund of the Board, as of June 30, 2025, 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, and the schedule of changes in other postemployment benefits on pages 4-8, 25 and 26, 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 **DATE**, 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 Nalon

Carson City, Nevada

DATE

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Management's Discussion and Analysis

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Nevada State Board of Professional Engineers and Land Surveyors

Management's Discussion and Analysis

June 30, 2025

The Board members' and management's discussion and analysis of the Nevada State Board of Professional Engineers and Land Surveyors (the "Board") financial position and activities for the fiscal year ended June 30, 2025 is presented in conjunction with the audited financial statements.

Financial Highlights

- As of June 30, 2025, net position was \$1,043,470, which was a decrease of \$304,045 when compared to the 2024 balance, as previously reported, of \$1,347,515.
- Total program revenues increased by \$24,718 compared to the prior year. The Board saw a slight increase in application and registration fees.
- Total expenses increased by \$255,594 compared to the prior year. The increase is primarily due to increases in salaries, contract services, merchant service fees, and legal expenses.

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 supplementary information. The MD&A represents the Board members' and 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 fund financial statement reporting. The financial statements have been prepared in accordance with generally accepted accounting principles as they apply to governmental units. The fund financial statements include a balance sheet, a statement of revenues, expenditures, and changes in fund balance, and notes to the financial statements.

The Statement of Net Position and Governmental Fund Balance Sheet present the financial position of the Board on both the modified accrual basis under the general fund and the full accrual basis as net position. This statement provides information on the Board's assets and liabilities, with the difference reported as net position. Over time, increases and decreases in net position are one indicator of whether the financial position of the Board is improving or deteriorating.

The Statement of Net Position and Governmental Fund Balance Sheet provide information about the nature and amount of resources and obligations at year-end. The Statement of Activities and Governmental Fund Revenues, 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 fund balance and net position changed during the year. The fund balance focuses on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year, 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 timing of the related cash flows. This statement also provides certain information about the Board's recovery of its costs.

Overview of Annual Financial Report (Continued)

The notes to the financial statements provide required disclosures and other information that are essential to a full understanding of material data provided in the basic financial 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.

The financial statements were prepared by the Board's staff from the detailed books and records of the Board. The financial statements were audited during the independent external audit process.

Condensed Financial Information

**Condensed Statement of Net Position
For Fiscal Years Ended June 30, 2025 and 2024**

	2025	2024 (Restated)
Assets:		
Current assets	\$ 2,349,457	\$ 2,657,713
Non-current assets:	551,317	623,253
Total Assets	2,900,774	3,280,966
Deferred Outflows	70,574	87,308
Liabilities		
Current liabilities	1,197,178	1,123,271
Noncurrent liabilities	680,937	801,039
Total Liabilities	1,878,115	1,924,310
Deferred Inflows	49,763	34,097
Net Position:		
Investment in capital assets, net of related debt	138,097	132,292
Unrestricted	905,373	1,277,575
Total Net Position	\$ 1,043,470	\$ 1,409,867

Total net position decreased by \$304,045 compared to the prior year due to the current year budgeted net loss for planned deferred work. The prior year condensed statements were restated for the impacts of changes to deferred inflows and outflows related to GASB 75. See footnotes for additional information.

Condensed Financial Information (Continued)

Revenues, expenses, and changes in net position are summarized in the table below.

**Condensed Statement of Activities
For Fiscal Years Ended June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
Revenues:		
Program:		
Charges for services	\$ 1,137,873	\$ 1,113,155
General:		
Other	91,579	92,529
Total revenue	<u>1,229,452</u>	<u>1,205,684</u>
Expenses:		
Board expenditures	<u>1,595,849</u>	<u>1,340,255</u>
Change in net position	<u>\$ (366,397)</u>	<u>\$ (134,571)</u>

As noted in the financial highlights, increases in total expenses are attributable to salaries, merchant service fees, program service fees, and legal expenses.

General Fund Budgetary Comparison

The original budget was passed with expenditures expected to exceed revenues by \$419,850. Actual results show revenues exceeded the final budget by \$88,252, mainly due to interest exceeding budget by \$16,579, application fees exceeding budget by \$18,975, and renewals and registrations exceeding budget by \$39,886. Expenditures were more than the final budget by \$55,495, mainly due to contract services being more than budgeted by \$79,544, legal fees being more than budgeted by \$20,705, and merchant services fees being more than budgeted by \$51,117. However, database and webdesign was less than budgeted by \$131,303 and professional services was less than budget by \$21,208. Total expenditures exceeded revenues by \$387,093.

Noncurrent assets

The Board has a total of \$59,712 in net capital assets as of the year ended June 30, 2025. These assets include intangible web design costs, office equipment and furnishings. See Note 4 for additional information on the Board's capital assets. The Board also has \$112,978 for capital assets in progress for a registration software that is not yet completed and \$378,627 in net right-of-use lease assets.

Nevada State Board of Professional Engineers and Land Surveyors

Management's Discussion and Analysis

June 30, 2025

Economic and Other Factors

It has now been more than a decade since the Great Recession significantly affected Nevada's economy—and, in turn, the operations and revenues of the Nevada Board of Professional Engineers and Land Surveyors (Board). During that period, the Nevada chapter of the American Council of Engineering Companies reported that the state lost nearly 60% of its licensed engineers and land surveyors. This sharp decline directly reduced the Board's revenue and required substantial fiscal restraint and operational adjustments.

In the years since, Nevada's economy has demonstrated steady and sustained recovery. The state's concerted efforts to diversify beyond tourism and gaming have spurred growth in advanced manufacturing, clean energy, logistics, and technology sectors. These developments have contributed to broader professional opportunities for engineers and land surveyors and helped stabilize licensure numbers. The professional and technical sectors continue to play a vital role in Nevada's ongoing economic expansion.

During fiscal year 2024–2025, the Board recorded 124 professional engineers and 8 professional land surveyors who retired or voluntarily withdrew their licenses. In the same period, 1,472 new licensees were added—1,436 engineers and 36 land surveyors—bringing the total number of active licensees to 16,611 (15,897 engineers and 714 land surveyors). Of the new licensees, approximately 15% were licensed for the first time, while 85% were granted licenses through comity or endorsement from other jurisdictions.

An undetermined number of licensees elected not to renew their licenses during the fiscal year. Under current regulations, a license may be renewed within six months of its expiration upon payment of a late fee. After six months without renewal, the license is designated as delinquent and requires reapplication to regain active status.

Program Enhancements

During fiscal year 2024–2025, the Board advanced several key system improvement initiatives aimed at increasing operational efficiency and enhancing service delivery. These efforts focused on reducing manual administrative tasks, lowering overall operating costs, and improving the customer experience for licensees and firms.

Major enhancements included the continued automation of individual licensure and renewal processes, enabling faster processing times and fewer manual interventions. In addition, the Board is nearing completion of a new online self-service database for managing firm registrations and corporate name approvals. This digital platform will allow users to submit applications, track registration status, and receive notifications electronically.

Collectively, these initiatives significantly reduce staff processing time, eliminate paper-based workflows, and minimize expenses associated with mailing, printing, and data entry. The result is a more efficient, accessible, and environmentally friendly system that better serves both the public and the professional community.

Contacting the Board's Financial Management

This financial report is designed to provide a general overview of the Board's finances and to demonstrate the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Board at (775) 688-1231.

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Nevada State Board of Professional Engineers and Land Surveyors
Statement of Activities and Governmental Fund Revenues, Expenditures and Changes
in Fund Balance
For the year ended June 30, 2025

	General Fund	Adjustments (Note 9)	Statement Net Position
Assets			
Current assets			
Cash and cash equivalents	\$ 340,185	\$ -	\$ 340,185
Investments	1,986,933	-	1,986,933
Prepaid expenses	22,339	-	22,339
Total current assets	2,349,457	-	2,349,457
Noncurrent assets			
Capital assets:			
Depreciated, net of accumulated depreciation	-	172,690	172,690
Right-of-use lease asset, net of accumulated amortization	-	378,627	378,627
	-	551,317	551,317
Total assets	\$ 2,349,457	551,317	2,900,774
Deferred Outflows of Resources			
Deferred outflows related to OPEB	-	70,574	70,574
Total deferred outflows of resources	-	70,574	70,574
Liabilities			
Current liabilities			
Accounts payable	\$ 72,927	-	72,927
Accrued payroll	13,030	-	13,030
License fees received in advance	1,000,413	-	1,000,413
Current portion of lease liability	-	81,338	81,338
Accrued compensated absences	-	29,470	29,470
Total current liabilities	1,086,370	110,808	1,197,178
Noncurrent liabilities			
Lease liability	-	331,882	331,882
Net OPEB liabilities	-	349,055	349,055
Total current liabilities	-	680,937	680,937
Total liabilities	1,086,370	791,745	1,878,115
Deferred Inflows of Resources			
Deferred inflows related to OPEB	-	49,763	49,763
Total deferred inflows of resources	-	49,763	49,763
Fund Balance/Net Position			
Fund balance:			
Nonspendable	22,339	(22,339)	-
Assigned	380,000	(380,000)	-
Unassigned	860,748	(860,748)	-
Total fund balance	1,263,087	(1,263,087)	-
Total liabilities, deferred inflows, and fund balance	\$ 2,349,457		
Net Position			
Investment in capital and right of use assets, net of related debt		138,097	138,097
Unrestricted		905,373	905,373
Total net position		\$ 1,043,470	\$ 1,043,470

Nevada State Board of Professional Engineers and Land Surveyors
Statement of Activities and Governmental Fund Revenues, Expenditures and Changes
in Fund Balance
For the year ended June 30, 2025

	General Fund	Adjustments (Note 9)	Statement of Activities
Expenditures/Expenses			
Board expenditures	\$ 1,616,545	\$ (20,696)	\$ 1,595,849
Program Revenues			
Charges for services	1,137,873	-	1,137,873
Net program expenses	(478,672)	20,696	(457,976)
General Revenues			
Investment income	91,579	-	91,579
Excess/(deficit) of revenues over expenditures	(387,093)	387,093	-
Change in net position	-	(366,397)	(366,397)
Fund Balance/Net Position			
Beginning of year, as previously reported	1,650,180	(302,665)	1,347,515
Prior Period Adjustment			
Change in deferred inflows and outflows	-	62,352	62,352
Fund Balance/Net Position, June 30, 2024 as restated	1,650,180	(240,313)	1,409,867
End of year	\$ 1,263,087	\$ (219,617)	\$ 1,043,470

Basic Financial Statements

Draft

Nevada State Board of Professional Engineers and Land Surveyors

Notes to Financial Statements

June 30, 2025

Note 1: Summary of Significant Accounting Policies

Introduction

The Nevada State Board of Professional Engineers and Land Surveyors (the "Board") was created in 1919 and is regulated by the Nevada Revised Statutes (NRS) 625, which also specifies the authorized activities of the Board. The fund is used to account for the proceeds of licensing and examination fees and other revenues that are legally restricted to expenditures for specified purposes.

The financial statements of the Board have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the government are described below.

Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Financial Reporting Entity

The accompanying financial statements present the primary government, organizations for which the primary government is financially accountable, and other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials are financially accountable or whose exclusion would render the financial statements misleading because of nature and significance of their relationship. According to this criteria, the Board has not identified any component units that are required to be included in the basic financial statements.

Effective July 1, 2001, Chapter 353 of the Nevada Revised Statutes (NRS) was amended to exempt certain professional and occupational boards from the state budget act and the provisions governing the administration of state funding. The provisions of Chapter 353 do not apply to boards created pursuant to chapters 623 to 625A, inclusive, 628, 630 to 640A, inclusive, 641 to 644, inclusive, 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 financial statements of the State of Nevada since the State does not exercise financial or administrative control over the Board.

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation - Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds.

Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the government's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Major individual governmental funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The government considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Charges for services and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except compensated absences, which are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds.

Budgetary Basis of Accounting

The Executive Director prepares an annual budget. Approval and revisions of the budget are performed by the Board's Administrative Procedures Oversight Committee. The final budget is prepared on a basis similar to generally accepted accounting principles and is approved by the Board Members at a public meeting held typically in May of each year for the upcoming fiscal year.

Cash and Cash Equivalents

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Note 1: Summary of Significant Accounting Policies (Continued)

Investments

Investments consisting of time certificates of deposit are stated at cost which approximates fair market value and are not subject to fair value reporting requirements. By statutes, all investments must be deposited in entities that are located in the State of Nevada.

Capital Assets

Capital assets, which include intangible web site costs, furniture, fixtures, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of two years. Donated assets are recorded at their estimated acquisition 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 not capitalized. Capital assets are depreciated using the straight-line method over five to fifteen years.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section 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 so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has \$70,574 attributable to other post-employment benefits ("OPEB") that qualifies for reporting in this category.

In addition to liabilities, the statement of net position and/or governmental fund balance sheet will sometimes report a separate section of 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 so will not be recognized as an inflow of resources (revenues) until that time. The Board has \$49,763 attributable to OPEB that qualifies for reporting in this category.

Deferred Revenue

The Board administers its licensing registration on a rotating biennial basis. Licensing fees are received at the beginning of the licensing period and are recognized ratably over the renewal period. Renewals are for two years and occur on a rotating schedule based on the licensees last name. Renewals take place on 6/30 and 12/31 over the two year period.

Compensated Absences

It is the Board's policy to permit employees to accumulate earned but unused vacation benefits up to 240 hours. Unused vacation pay will be paid upon termination to all employees. Vacation pay is accrued when incurred and reported as a liability in the government-wide financial statements. It is reported as a liability in the fund statements only when payment is due. It is also the Board's policy to grant regular full-time employees 80 hours per year of PTO (personal time off). Each eligible employee is given 80 hours of PTO effective January of each calendar year. Unused PTO hours at the end of the year are not paid to employees or carried over to the next calendar year.

Note 1: Summary of Significant Accounting Policies (Continued)

OPEB Liabilities

For purposes of measuring the OPEB liabilities, deferred outflows/inflows of resources, and benefit expenses, information about the fiduciary net position of the Public Employees' Benefit Program (PEBP) and PEBP's fiduciary net positions have been determined on the same basis as they are reported by PEBP. 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.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). Below are definitions of how these balances are reported.

Nonspendable Fund Balance - The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts. The Board has nonspendable balances of \$22,339 relating to prepaid amounts.

Restricted Fund Balance - The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Examples of these restrictions could be those imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The Board has no restricted fund balances.

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balance Policies (Continued)

Committed Fund Balance - The Board commits fund balance by making motions or passing resolutions to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contract requirements. The Board has no balances that are committed at year end.

Assigned Fund Balance - The assigned fund balance classification refers to amounts that are constrained by the Board's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by the Board to assign amounts to be used for specific purposes. The Board has assigned a total of \$380,000 at year end, which includes \$30,000 for website improvements - Phase 2, \$175,000 for a Data System Comprehensive Upgrade, and \$175,000 for an Electronic Submittal/Digital Signature Pathway.

Unassigned Fund Balance - The unassigned fund balance classification is the residual classification for amounts in the General Fund for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund. The Board has unassigned balances of \$905,373 at year end.

Minimum Fund Balance Policy - It is the desire of the Board to maintain an adequate General Fund balance to maintain liquidity and in anticipation of economic downturns or natural disasters. The Board has adopted a financial standard to maintain a General Fund minimum fund balance of 18 months of budgeted expenditures.

Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All interest income is reported as general revenues rather than as program revenues.

Adoption of New Accounting Pronouncements

During the fiscal year ended June 30, 2025, the Board implemented the following GASB pronouncements:

GASB Statement No. 101, Compensated Absences. Issued June 2022, Governments commonly provide benefits to employees in the form of compensated absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The implementation of this statement had no material effect on the financial statements.

GASB Statement No. 102, Certain Risk Disclosures. Issued December 2023, State and local governments face a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that

Note 1: Summary of Significant Accounting Policies (Continued)

Adoption of New Accounting Pronouncements (Continued)

are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The implementation of this statement had no material effect on the financial statements.

New Accounting Pronouncements - Not yet adopted

The following GASB pronouncements have been issued, but are not effective as of June 30, 2025:

GASB Statement No. 103, Financial Reporting Model Improvements. Issued April 2024, the objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. Statement No. 103 will be effective for the Board for fiscal year ending June 30, 2026.

GASB Statement No. 104, Disclosure of Certain Capital Assets. Issued September 2024, the objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. Statement No. 104 will be effective for the Board for fiscal year ending June 30, 2026.

The Board will implement new GASB pronouncements no later than the required effective date. The Board is currently evaluating whether the above listed new GASB pronouncements will have a significant impact on the Board's financial statements.

Note 2: Compliance with Nevada Revised Statutes and the Nevada Administrative Code

It is believed that the Board conformed to all significant statutory constraints on its financial administration during the year under Nevada Revised Statutes 218 and 625.

Note 3: Cash Deposits with Financial Institutions

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2025, the government's bank balance was \$2,317,603 and the entire amount was insured or collateralized with securities held by the pledging or financial institution's trust department or agent in the government's name.

Nevada State Board of Professional Engineers and Land Surveyors
Notes to Financial Statements
June 30, 2025

Note 4: Capital Assets

The governmental activities capital asset activity for the year ended June 30, 2025, is as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Capital assets being depreciated:				
Web site costs	\$ 20,000	\$ -	\$ -	\$ 20,000
Furniture, fixtures and equipment	310,533	-	(2,360)	308,173
Total capital assets being depreciated:	330,533	-	(2,360)	328,173
Less accumulated depreciation for:				
Web site costs	20,000	-	-	20,000
Furniture, fixtures and equipment	234,439	16,382	(2,360)	248,461
Total accumulated depreciation	254,439	16,382	(2,360)	268,461
Capital assets not being depreciated:				
Registration system in progress	86,898	26,080	-	112,978
Total capital assets	\$ 162,992	\$ 9,698	\$ -	\$ 172,690

Note 5: Defined Contribution Benefit Plan

The Nevada State Board of Professional Engineers and Land Surveyors contribute to a SEP-IRA established January 1, 1994. To be eligible for these benefits, the employees must be eighteen years of age, full-time status, and have provided six months of service. The Board contributed 8% of gross wages, or \$43,428, for eligible employees, for the year ended June 30, 2025.

Note 6: Long-Term Liabilities:

The following is a summary of changes in long term liabilities other than leases:

	Balance July 1, 2024	Net change	Balance June 30, 2025
Compensated absences	\$ 37,996	\$ (8,526)	\$ 29,470
Net OPEB liability	387,820	(38,765)	349,055
	<u>\$ 425,816</u>	<u>\$ (47,291)</u>	<u>\$ 378,525</u>

Nevada State Board of Professional Engineers and Land Surveyors

Notes to Financial Statements

June 30, 2025

Note 7: Leases

The Board currently leases office space in Reno, Nevada. The lease term commenced on October 10, 2018 and expires on December 31, 2028, with monthly rental payments ranging from \$4,380 to \$4,930. The Board also currently leases office space in Las Vegas, Nevada. The lease term commenced on January 15, 2018 and ended January 31, 2023, with monthly rental payments starting at \$2,275 per month for the first year and increasing each year to \$2,589 per month in the final year. The Board signed a new lease for the Las Vegas Office that commenced in February 2023 and expires January 31, 2033, with payments ranging from \$2,038 per month in the first year to \$2,659 in the final year. In addition the Board pays for their proportionate share of operating expenses. At the time of initial measurement there was no interest rate specified in the original lease agreement. Accordingly, the Board has used an incremental borrowing rate equal to the three year treasury rate as reported by the Wall Street Journal to discount the annual lease payments to recognize the intangible right-to-use assets and the lease liabilities as of June 30, 2025.

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Right-of-use lease assets:				
Lease assets, office	\$ 816,345	\$ -	\$ -	\$ 816,345
Less: accumulated amortization	356,084	81,634	-	437,718
	<u>\$ 460,261</u>	<u>\$ (81,634)</u>	<u>\$ -</u>	<u>\$ 378,627</u>

Lease obligations are as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Amount due in one year
Lease liabilities:					
Office	<u>\$ 490,961</u>	<u>\$ -</u>	<u>\$ (77,741)</u>	<u>\$ 413,220</u>	<u>\$ 81,338</u>

The following is a schedule by years of future minimum rental payments for the remaining terms of the leases for the years ending June 30 separated in the amounts to be recorded as principal and interest related to the lease liabilities:

<u>Year Ending June 30</u>	<u>Principal</u>
2026	\$ 81,338
2027	85,087
2028	88,989
2029	57,731
2030	25,428
Thereafter	74,647
	<u>\$ 413,220</u>

Nevada State Board of Professional Engineers and Land Surveyors

Notes to Financial Statements

June 30, 2025

Note 8: Risk Management

The government is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In order to handle such risks of loss, the government purchases insurance coverage. The amounts of settlements have not exceeded insurance coverage for any of the past three years.

Note 9: Conversion to Government-Wide Financial Statements

Adjustments on the face of the financial statements were made to the fund balance sheet and statement of revenues, expenditures, and changes in fund balance in order to reconcile the fund financial statements to the government-wide statements of net position and statement of activities. Adjustments to the fund balance sheet include the effect of the capitalization of fixed assets of \$328,172, net of accumulated depreciation of (\$268,460), the recording of capital assets in progress of \$112,978, the recording of accrued compensated absences of \$29,470, the recording of the right-of-use asset of \$816,345 less accumulated amortization of (\$437,718), the current portion of lease liability of \$81,338, and the corresponding long term portion of \$331,882, the recording of net OPEB liabilities of \$349,055, the recording of deferred outflows related to OPEB of \$70,574 and, the recording of deferred inflows related to OPEB of \$49,763. The adjustments to the statement of revenues, expenditures, and changes in fund balance include the effects of depreciation and amortization expense of \$98,016, the decrease in compensated absences of (\$8,526), the decrease in rent expense due to GASB 87 of (\$87,348), the decrease in website expenses due to the capitalization of capital assets in progress of (\$26,080), the increase in interest expense due to GASB Statements No. 87 of \$9,606, and net OPEB changes of \$6,364.

Note 10: Subsequent Events

The Board has evaluated subsequent events through **DATE**, the date which the financial statements were available to be issued.

Note 11: Other Postemployment Benefit Obligation

The Board has implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. The Board recognizes the cost of post-employment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Board's future cash flows. The annual funding, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded liabilities (or funding excess) over a period not to exceed thirty years.

Note 11: Other Postemployment Benefit Obligation (Continued)

Plan Description and Eligibility

Certain employees of the State of Nevada ("State") are provided with OPEB through the Public Employees' Benefits Program (PEBP) – which administers 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 of Nevada. PEBP does not provide for refunds of employee contributions. PEBP issues a publicly available financial report that can be obtained at <https://pebp.state.nv.us/>. The Board is reporting plan information consistently 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.

Contributions

Legislation affords public employees of the State of Nevada (State) the opportunity to enroll, upon their retirement, PEBP health insurance plan. The legislation obligates the State for a portion of the medical premiums for those retired employees who elect to enroll in the PEBP health insurance plan and retired prior to October 1, 2010 at a rate that is based upon years of service prior to retirement. For employees that retired between October 1, 2010 and September 30, 2012, the State's obligation for a portion of the medical premiums is dependent upon the PERS eligibility requirements in effect at the time of retirement. Employees that retire after October 1, 2012 may elect to enroll in the PEBP health insurance plan, but the State is not obligated for any portion of their premiums.

There are no retired employees eligible to participate in this plan as the Board does not participate in the State's retirement plan. The State is charging an annual fee to the Board based on a rate determined by the State and the salaries of the Board. During the year ended June 30, 2025, the Board paid the State \$18,125 for this additional fee for post-employment retirement benefits.

This annual cost is expected to continue and possibly increase based on future decisions by the State to allocate post-employment retirement benefits to the Board's employees. Representatives of PEBP have indicated that the post-employment benefit liability is at PEBP's level and the Board merely pays its annual required contribution based on the fees charged by the State.

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

At June 30, 2025, the Board reported a liability of \$349,055 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, 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 0.0257%.

Note 11: Other Postemployment Benefit Obligation (Continued)

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

For the year ended June 30, 2025, the Board recognized OPEB expense (income) of (\$6,364). At June 30, 2025, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 4,464
Net difference between projected and actual investment earnings on OPEB plan investments	-	90
Changes of assumptions	-	33,873
Changes in proportion	49,312	11,336
System contributions and implicit subsidy subsequent to the measurement date	21,262	-
	<u>\$ 70,574</u>	<u>\$ 49,763</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ending June 30,</u>	
2026	\$ (5,534)
2027	5,819
2028	5,834
2029	(4,373)
2030	(2,197)
	<u>\$ (451)</u>

Note 11: Other Postemployment Benefit Obligation (Continued)

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

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

Inflation	2.50%
Discount rate	3.93%
Investment rate of return	2.50%, same as inflation rate assumption
Productivity pay increases	0.50%
Projected salary increase	4.20% to 9.10%, for regular members, varying by service, including inflation
Health care cost trend rates	8.00% graded down 0.25% to ultimate 4.50% over 14 years
Other assumptions	Same as those used in the June 30, 2024 funding actuarial valuation

Healthy mortality rates were based on the Pub-2010 General Healthy Retiree Headcount-Weighted Above-Median Mortality Table, projected generationally with the two-dimensional mortality improvement scale by MP-2020 for regular members. Disabled mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree Headcount-Weighted Mortality Table, projected generationally with the two-dimensional mortality improvement scale by MP-2020 for regular members.

The non-health actuarial assumptions used in the June 30, 2025 valuation were based on the State of Nevada PERS Actuarial Experience Study as of June 30, 2020, dated September 10, 2021. The valuation date was changed from January 1 to June 30, mostly so the actuary could leverage June 30, 2022 PERS census data. The actuary would not expect the change to the valuation date to have a significant impact on the valuation of results.

Additional detail regarding the actuarial assumptions as of June 30, 2024 are provided in the "Actuarial Assumptions and Actuarial Cost Method" section of the June 30, 2025 report provided by the PEBP Board.

Discount Rate

The discount rate basis under GASB Statement No. 75 is required to be based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The Bond Buyer 20-Bond GO Index rate published closest to, but not later than the measurement date of June 30, 2024 is used for the determination of the discount rate. The discount rates as of the measurement date of June 30, 2024 was 3.93%.

Note 11: Other Postemployment Benefit Obligation (Continued)

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 the amount 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 (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Net OPEB liability / (asset)	\$ 382,661	\$ 349,055	\$ 319,854

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 the amount the Board's proportionate share of the net OPEB liability would be if it were calculated using a healthcare cost rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost rate:

	1% Decrease Healthcare Cost Trend Rate	Current Healthcare Cost Trend Rate	1% Increase Healthcare Cost Trend Rate
Net OPEB liability / (asset)	\$ 332,631	\$ 349,055	\$ 367,748

OPEB Plan Fiduciary Net Position

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

Nevada State Board of Professional Engineers and Land Surveyors

Notes to Financial Statements

June 30, 2025

Note 12: Disciplinary Proceedings and Contingencies

In connection with the Board's enforcement program as prescribed by statute and regulation, it may seek recovery from licensees for costs incurred related to the investigative and disciplinary actions taken by the Board. Judgments made by the Board included stipulations for cost recoveries; these recovery amounts are presented as part of operating revenue.

In addition, the Board is authorized to impose administrative fines. The Board acts as an agent for the State of Nevada with respect to the administrative fine; thus, fines collected by the Board are remitted to the State of Nevada.

Certain claims, suits and complaints associated with the Board's ordinary course of business are pending or may arise. The Board believes the cases are without merit and intends to vigorously defend its positions. Accordingly, these financial statements do not include a liability for amounts that may arise from these cases.

Note 13: Prior Period Adjustment

The actuary for the Public Employees' Benefits Program (PEBP) determined that the recognition of changes in proportion related to the Other Postemployment Benefits (OPEB) liability should be amortized over the plan's average expected remaining service lifetime. Previously, such changes in proportion were recognized immediately.

As a result, deferred outflows and deferred inflows of resources related to changes in proportion have been restated as if they had been amortized over the plan's average expected remaining service lifetime since the implementation of GASB Statement No. 75. This restatement has been accounted for as a prior period adjustment and has been applied retroactively to all periods presented. This change in accounting treatment affects only the components of the OPEB liability and related deferred outflows/inflows under GASB Statement No. 75.

Beginning net position was restated to reflect the changes as follows:

Net position at June 30, 2024, as previously reported	\$ 1,347,515
Less: Increase of deferred inflows of resources as of July 1, 2024	(2,040)
Add: Increase of deferred outflows of resources as of July 1, 2024	<u>64,392</u>
Net position change due to changes related to GASB 75 deferred inflows and outflows	<u>62,352</u>
Net position at July 1, 2024, as restated	<u><u>\$ 1,409,867</u></u>

Required Supplementary Information

Nevada State Board of Professional Engineers and Land Surveyors
Schedule of Changes in Other Post Employment Benefits Liability and Related Ratios
For the year ended June 30, 2025

	2025			2024 Actual
	Original Budget	Final Budget	Actual	Over (Under) Budget
(Memo Only)				
Revenues				
Fees and fines:				
Application fees	\$ 181,100	\$ 181,100	\$ 200,075	\$ 18,975
Renewal fees	792,500	792,500	816,816	24,316
Examination fees	2,000	2,000	3,600	1,600
Corporate registrations	90,000	90,000	105,550	15,550
Penalties and fines	-	-	4,450	4,450
Document fees	300	300	850	550
Other operating revenue	300	300	6,532	6,232
Interest income	75,000	75,000	91,579	16,579
Total revenue	1,141,200	1,141,200	1,229,452	88,252
Expenditures				
Current:				
Personnel services				
Board member per diem	7,500	7,500	11,250	3,750
Salaries	585,000	585,000	568,461	(16,539)
Retirement	30,000	30,000	43,428	13,428
Payroll taxes	67,650	67,650	47,342	(20,308)
Employee group insurance	70,000	70,000	71,014	1,014
Total personnel services	760,150	760,150	741,495	(18,655)
Operating				
Audit and accounting fees	30,000	30,000	51,380	21,380
Contract services	155,000	155,000	234,544	79,544
Database/website design	160,000	160,000	28,697	(131,303)
Program services	26,500	26,500	62,849	36,349
Equipment lease	5,000	5,000	3,249	(1,751)
Equipment/furniture	3,800	3,800	4,165	365
Insurance	7,000	7,000	8,453	1,453
Legal	90,000	90,000	110,705	20,705
Government liaison	24,000	24,000	24,159	159
Merchant service fees	56,000	56,000	107,117	51,117
Miscellaneous	-	-	1,045	1,045
Office rent	96,400	96,400	95,454	(946)
Office supplies	12,000	12,000	19,233	7,233
Postage	16,500	16,500	17,243	743
Printing and copying	6,500	6,500	1,522	(4,978)
Professional services	39,200	39,200	17,992	(21,208)
Training and conferences	3,000	3,000	11,970	8,970
Travel	58,000	58,000	58,239	239
Professional development event	-	-	-	-
State administrative fees	5,000	5,000	5,436	436
Telephone	7,000	7,000	7,148	148
Disciplinary fees paid to General Fund	-	-	4,450	4,450
Total operating	800,900	800,900	875,050	74,150
Total expenditures	1,561,050	1,561,050	1,616,545	55,495
Excess/(deficit) of revenue over expenditures	\$ (419,850)	\$ (419,850)	\$ (387,093)	\$ 32,757
				\$ (82,665)

Nevada State Board of Professional Engineers and Land Surveyors
Schedule of Changes in Other Post Employment Benefits Liability and Related Ratios For the year ended June 30, 2025

**Schedule of Changes in Net OPEB Liability
Last Ten Fiscal Years ***

	2025	2024	2023	2022	2021	2020	2019
Proportion of the net OPEB liability	0.0257%	0.0266%	0.0215%	0.0215%	0.0216%	0.0230%	0.0190%
Proportionate share of the net OPEB liability	\$ 349,055	\$ 387,820	\$ 310,075	\$ 334,024	\$ 325,474	\$ 341,931	\$ 251,807
Covered payroll	\$ 571,174	\$ 630,964	\$ 489,701	\$ 449,411	\$ 442,082	\$ 470,736	\$ 378,377
Proportionate share of the net OPEB liability as a percentage of its covered payroll	61.11%	61.46%	63.32%	74.32%	73.62%	72.64%	66.55%
Plan fiduciary net position as a percentage of the total OPEB liability	-1.03%	-2.09%	-1.39%	-0.65%	-0.38%	0.02%	0.12%

**Schedule of Contributions
Last Ten Fiscal Years ***

	2025	2024	2023	2022	2021	2020	2019
Contractually required contributions	\$ 21,262	\$ 10,959	\$ 8,534	\$ 8,525	\$ 9,498	\$ 9,506	\$ 9,023
Contributions in relation to contractually required contributions	(21,262)	(10,959)	(8,534)	(8,525)	(9,498)	(9,506)	(9,023)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

*GASB Statement No. 75 requires ten years of information to be presented in these tables. However, until a full 10-year trend is compiled, the Board will present information for those years for which information is available.

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 Board of Directors of
Nevada State Board of Professional Engineers and Land Surveyors
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 the major fund of the Nevada State Board of Professional Engineers and Land Surveyors (the "Board") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated **DATE**.

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") as a basis for designing 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 Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Casey Nalon

Carson City, Nevada

DATE

None.

Draft

None.

Draft

4. Legislative Bill Draft Requests

5. Business and Industry's Proposed Regulation Updates to NAC 232.XXX

November 17, 2025

Ms. Nikki Haag
Deputy Director
Office of Nevada Boards, Commissions, and Council Standards
Department of Business and Industry

Ms. Nikki Haag:

The Nevada Board of Professional Engineers and Land Surveyors has taken this opportunity to review and comment on the Department of Business and Industry's proposed regulation changes, referred to as Proposed Regulations of the Department of Business and Industry b-Office of Nevada Boards, Commissions, and Council Standards LCB File No. R074-25.

The Nevada Board of Professional Engineers and Land Surveyors (NVBPELS) is fully committed to any and all practices that improve accountability, transparency and efficiency and it is in this light that we have taken the time to thoroughly review your draft regulations to provide you with thoughtful commentary and meaningful revisions. Our comments and revisions are enumerated below and collected in a Word Document mark-up file; attached for your review.

NAC 232.010 Definitions. (NRS 233B) As used in NAC 232.010 to 232.140, inclusive, unless the context otherwise requires: 11. "Purview" means the scope of authority, oversight and administrative responsibility assigned to the Office pursuant to NRS 232.8415, including oversight of the boards and commissions enumerated in NRS 232.8415(2).

Section 1, This is very broad language - not limited to what is listed. This could lead to regulation by Office policy and or procedure.

Section 1(a)(iii), This is open ended. NRS 622.100 is detailed and complete. Supplemental reporting could be a costly burden to boards and their licensees.

Section 1(c), This is something that the Office (NBCCS) should prepare and provide to each of the boards. This should be deleted in its entirety.

Section 1(d)(i), Summary preparation of a report prepared by a board as required by statute is additional and un-necessary work to be borne by the boards.

Section 1(e)(ii & iii), This looks like something that the Office (NBCCS) could possibly do.

Section 1(f)(i & ii), NRS 625.425 - Certain records relating to investigation deemed confidential; certain records related to disciplinary action deemed public records dictate what we can and cannot share.

There are additional edits in the R074-25 Proposed Regulation document (included with this letter)

We know this is long arduous process that requires time, hard work, and compromise. We are committed to this process and working with the Department of Business and Industry and the Office as we work together to draft regulations that best serve our great State and its citizens.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Mark Fakler', is positioned above the typed name.

Mark J Fakler, PE
Executive Director.

**PROPOSED REGULATION OF
THE DEPARTMENT OF BUSINESS AND INDUSTRY - OFFICE OF NEVADA
BOARDS, COMMISSIONS AND COUNCILS STANDARDS**

LCB File No. R074-25

November 5, 2025

EXPLANATION – Matter is *italics* is new; matter in brackets ~~[omitted material]~~ is material to be omitted.

Disclaimer: *Nothing in these regulations shall be construed to supersede or conflict with the procedural requirements set forth in NRS Chapters 622 or 622A, or with any current NRS or NAC applicable to boards governed under Title 54. These standards are intended solely to supplement existing statutory provisions for the purpose of administrative oversight, operational consistency, and inter-board standardization pursuant to NRS 232.8415.*

General Provisions

NAC 232.010 Definitions. (NRS 233B.505) As used in NAC 232.010 to 232.140, inclusive, unless the context otherwise requires:

1. “Chief” means the chief of a division of the Department.
2. “Department” means the Department of Business and Industry.
3. “Director” means the Director of the Department.
4. *“Office” means the Office of Nevada Boards, Commissions, and Councils Standards.*
5. *“Board” means any board, commission, or other statutorily created entity under the purview of the Office pursuant to NRS 232.8415.*
6. *“Board Member” means a person appointed to serve on a specific board.*
7. *“Executive Director, or equivalent officer of the boards” means a person appointed or employed by a board who is responsible for overseeing the day-to-day operations of the board.*
8. *“License” means any permit, registration, certificate, or license issued by a board under the Department.*
9. *“Licensee” means any person who has been issued a permit, registration, certificate, or license by the board under the Department.*
10. *“Profession” means any activity, occupation, or vocation regulated by a board under the Office of Nevada Boards, Commissions, and Councils Standards.*
11. *“Purview” means the scope of authority, oversight and administrative responsibility assigned to the Office pursuant to NRS 232.8415, including oversight of the boards and commissions enumerated in NRS 232.8415(2).*

NAC 232. – Department; powers and duties

1. Pursuant to NRS 232.8415(1)(a), each Board shall comply with the procedures and requirements approved by the Office for purposes of centralized administration, which include, but are not limited to:

(a) In regard to Performance Monitoring and Data Reporting, Boards shall:

(i) submit to the Office, on a quarterly basis, the same complaint and licensing data required to be reported pursuant to NRS 622.100, together with a summary of complaints received by the Board from the public or licensees regarding alleged violations of law, regulation, or standards of practice by a licensee, or regarding the performance of the Board in its regulatory functions. Such summary must include:

(ii) the number of complaints received, resolved, pending, and the average processing times for each stage of the complaint process.

(iii) the number of licensing applications received, approved, denied, and rejected as incomplete, together with average processing times.

For purposes of this section, A Board satisfies the requirement to submit the same complaint and licensing data required pursuant to NRRS 622.100 by providing the Office, on a form provided by the Office, a copy of the report submitted to the Legislative Counsel Bureau under NRS 622.100.

(b) Comply with investigative procedures and timelines established in statute, including NRS 622A. For purposes of oversight under subsection (1), each Board shall:

(i) Document in the investigative file the reason for any deviation from an established statutory timeline; and

(ii) Report to the Office, as part of the quarterly submission referenced in paragraph 1(a)(i) of this section, those cases in which investigative timelines were exceeded, together with a summary of the reason for delay.

Track bills during each regular and special session of the Nevada Legislature that may affect Board operations, or the professions regulated by the Board. Each Board shall notify the Office when implementation of an enacted bill originating from that board

has been completed, using the form prescribed by the Office.

In addition to legislative reporting, each Board shall:

(iii) Update its administrative codes in response to newly enacted laws

(iv) Ensure proper reconciliation of board accounts and bank records

(c) In regard to reporting and audit readiness, each Board shall ensure timely and accurate compliance with all reporting and audit requirements mandated by statute or regulation, including but not limited to NRS 622.100, NRS 218G.400, NRS 331.110, and 333.705. To support centralized oversight and transparency, each Board shall:

(i) Provide to the Office a copy of any report the Board is required to submit by statute to an authorized entity.

(ii) submit to the Office a monthly financial statements within 30 days after the close of each month, including total revenues, total expenditures, and monthly cash balances.

(iii) Submit to the Office, on a form provided by the Office, a simplified annual financial summary within 9 months after the end of each fiscal year, which must include:

(i) Total revenues, expenditures, and year-end cash balances

(ii) A reconciliation showing how the total revenues, total expenditures, and year-end cash balances reported in the simplified annual financial summary correspond to the year-end balances reflected in the balance sheet or audit report submitted pursuant to NRS 218G.400.

(iii) A statement identifying any significant financial or structural concerns observed by the Board; and

(iv) A review of the adequacy of existing fees conducted pursuant to statute.

(d) In regard to Training of Board Members, each Board shall:

(i) Require the Board's Executive Director or equivalent officer and relevant staff to notify Board Members of updated mandatory training modules required pursuant to NRS 622.055-622.060, including those prescribed by the Office of the Attorney General.

- (ii) Within 30 days after a Board Member completes mandatory training, the Executive Director or equivalent officer shall provide a written notice to the Office, on a form provided by the Office, confirming



the date of completion

(e) In regard to Board Member Support Services, Boards shall maintain a centralized log of appointment terms and expiration dates

(f) Access to investigative reports and documentation

(i) Upon request of the Office, and to the extent permitted by state or federal law, a Board shall communicate, cooperate with, or provide any documents or information to the Office regarding any investigation, including related disciplinary proceedings.

(ii) Any confidential information provided to the Office remains subject to the same confidentiality laws that apply to the Board.

2. Pursuant to NRS 232.8415(1)(c), each Board shall comply with the following standards approved by the Office for internal financial controls:

(a) In regard to fiscal accountability, Boards shall develop and monitor board budgets

(b) In regard to data integrity and information management, Board's shall

(i) Ensure licensee, financial, and complaint data are accurate and verifiable

(ii) Protect confidential and personally identifiable information

(c) Respond to all statutory audits including addressing audit findings of authorized entities, including the Office, by submitting a written corrective action plan within 60 days, together with documentation demonstrating the completion or substantial progress of the corrective actions.

(d) Fiscal independence

(i) All funding shall remain under the Board's sole authority, subject only to its enabling statutes and applicable financial controls.

3. Pursuant to NRS 232.8415(1)(e), each Board shall comply with the standards approved by the Office for its structure:

(a) In regard to Board composition and statutory compliance, Boards shall

maintain records of each Board Member's designated seat, including whether their designation is statutorily required as a public member, industry representative, or licensee.

(b) In regard to Board officer roles and elections, Boards shall:

(i) Hold officer elections as required by statute or regulation of the Board.

(ii) Where the term of an officer is not provided by Statute or Regulation of the Board, the Boards shall hold annual elections for officer positions.

(c) In regard to Board Member attendance and participation,

(i) Each Board Member is expected to attend and participate in meetings in compliance with NRS 241, the Board's enabling statutes, and these regulations.

(ii) A Board member who has three consecutive unexcused absences, or who is absent without excuse from 50 percent or more of the Board's meetings within a 12-month period, may be recommended by the Board to the appointing authority for removal in accordance with NRS 232A.020-.030.

(d) For purposes of this subsection, an "unexcused absence" means an absence that is not:

(i) Caused by illness, family emergency, or other unavoidable circumstance.

(ii) Approved in advance by the Board chair; or

(iii) Otherwise authorized by statute.

4. Pursuant to NRS 232.8415(1)(f), each Board shall comply with the following standards approved by the Office for transparency and consumer protection:

(a) In regard to Websites, Boards shall:

(i) maintain a publicly accessible and ADA-compliant website containing, at a minimum, the following information:

(ii) A citation and link to the statutes of the Board in the Nevada Revised Statutes (NRS) and its regulations in the Nevada Administrative Code (NAC)

(iii) The name of all current Board Members

(iv) The statutorily designated position each Board Member fills

(v) The start and expiration date of each Board Member's current term

(vi) The name and title of the Executive Director or equivalent officer

- (vii) *Contact information for the Board's office, including email, mailing and physical addresses, and telephone number*
- (viii) *Upcoming Board and committee meetings, including the date, time, location, agenda, and virtual attendance information*
- (ix) *Archived agendas and minutes of past meetings*
- (x) *A license verification system accessible from the homepage within one click, including full name, license type, license number, status, issuance/expiration dates, and an indication of disciplinary history ("yes/no").*
- (xi) *A disciplinary action portal or searchable system available on the Board's homepage, updated within 15 days of new disciplinary actions, which includes at a minimum, the licensee name, license number, action type and date, and access to final orders or settlement agreements, unless confidentiality is required by statute*
- (xii) *Instructions and forms for filing a complaint*
- (xiii) *The most recent financial summary prescribed under Section 1(b) of this section, together with any CPA audit or balance sheet submitted pursuant to NRS 218G.400*
- (xiv) *Any audit, sunset review report, or legislative performance evaluation prepared within the last 5 years, and a direct link to the website of the Office of Nevada Boards, Commissions, and Councils Standards available on the Board's homepage.*
- (xv) *Final adopted regulations not yet codified in NAC, as filed with the Secretary of State*
- (xvi) *The Board's mission statement*
- (xvii) *The Board's Annual reports or performance data*
- (xviii) *licensing/renewal/reinstatement instructions, and*
- (xix) *statutory reports and audits*
- (b) *In regard to complaint transparency and access, Boards shall*
 - (i) *Provide clear instructions for filing complaints against licensees or the Board*
 - (ii) *Offer online complaint portals or downloadable forms on Board websites*
 - (iii) *Protect confidentiality in accordance with NRS 622.360*

*and other applicable laws, while ensuring fairness and
responsiveness to complainants*

(c) In regard to consumer education and outreach, Boards are encouraged to publish

newsletters, alerts, or bulletins to inform the public of Board activities, professional standards, ethical requirements, consumer rights, and procedures for reporting misconduct.

5. Pursuant to NRS 232.8415(1)(g), each Board shall comply with the standards enumerated below by the Office for its efficacy and efficiency:

(a) Evaluation of Performance:

(i) The Office may evaluate each Board's performance using the financial and operational reports submitted to Section 1(b) of these regulations and the transparency and complaint data submitted pursuant to Section 6.

(ii) Boards shall cooperate with the Office in any performance reviews, audits, or requests for additional information necessary to assess the efficiency and effectiveness of operations.

(b) Continuous Improvement

(i) Based on the results of these evaluations, the Office may issue recommendations or require corrective action to improve efficiency, reduce costs, or enhance consumer protection.

(ii) Boards shall implement corrective actions within 90 days of receiving notice from the Office, unless the Office specifies a different timeframe in writing based on the nature or complexity of the corrective action required

6. Pursuant to NRS 232.8415, each Board shall comply with the requirements of this section and noncompliance may result in the Office's issuance of a written notice of deficiency, which may require corrective action by the Board within 60 days, or in a timeframe otherwise authorized by the Office, but not less than 60 days. Continued failure to comply may result in:

(a) Enhanced administrative oversight,

(b) Referral to the Governor for potential removal actions under NRS 232A.030, or

(c) Withholding of administrative or fiscal support services.

6. Public Comment

7. Adjournment