



**STATE OF NEVADA  
LEGISLATIVE COUNSEL BUREAU  
ANNUAL FINANCIAL REPORT  
JUNE 30, 2024**



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## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

*To the Legislative Commission  
Legislative Counsel Bureau, State of Nevada  
Carson City, Nevada*

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

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Legislative Counsel Bureau (LCB), an agency of the State of Nevada (the State), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the LCB's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the LCB, as of June 30, 2024 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of LCB, 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 LCB's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the LCB'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 LCB'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.

### ***Emphasis of Matter***

As discussed in Note 1, the financial statements present only the LCB and do not purport to, and do not, present fairly the financial position of the State of Nevada, as of June 30, 2024, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Legislative Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual, the Schedule of the Share of the Net Pension Liability and the Schedule of the Contributions – Public Employees' Retirement System of Nevada, the Schedule of the Net Pension Liability and the Schedule of the Contributions - Legislators' Retirement System of Nevada, the Schedule of Changes in Net Pension Liability Legislators' Retirement System of Nevada, the Schedule of LCB's Proportionate Share of the Net OPEB liability and the Schedule of LCB OPEB Contributions, and the Notes to Required Supplementary Information as listed in the table of contents, 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 October 31, 2024, on our consideration of the LCB'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 LCB'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 LCB's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Crowe LLP". The letters are cursive and slightly slanted to the right.

Crowe LLP

Sacramento, California  
October 31, 2024

**LEGISLATIVE COUNSEL BUREAU  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

Management’s Discussion and Analysis of the State of Nevada Legislative Counsel Bureau (LCB)’s financial performance is intended to be an objective and easily readable analysis of the LCB’s financial activities for the year ended June 30, 2024. Because this analysis contains summarized financial information, it should be read in conjunction with the financial statements that follow.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This Management’s Discussion and Analysis is intended to serve as an introduction to the LCB’s basic financial statements. The LCB’s basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes required supplementary information in addition to the basic financial statements.

Financial Statements for the LCB as a Whole

The Statement of Net Position and the Statement of Activities provide information about the activities of the LCB as a whole and present a longer-term view of the LCB’s finances. The Statement of Net Position presents information on all of the LCB’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the LCB’s financial position is improving or deteriorating. The Statement of Activities presents information showing how the LCB’s net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flow.

In the Statement of Net Position and the Statement of Activities, the LCB’s activities are divided as follows:

*Governmental Activities* – Most of the LCB’s basic services, which are primarily supported by State of Nevada (the State) General Fund appropriations, are reported here.

*Business-type Activities* – The LCB administers the operations of the State Printing Office. The State Printing Office provides printing services to divisions of the LCB and other State agencies for fees. The single largest customer for these services is the Legal Division of the LCB.

Fund Financial Statements

The LCB’s activities are reported in more detail in its governmental and proprietary funds. Funds are accounting entities that the LCB uses to track specific funding sources and expenditures/expenses for particular programs.

*Governmental Funds* – The LCB has two special revenue governmental funds, the Legislative Fund and the Contingency Fund. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and expenditures related to compensated absences are recorded only when payment is due.

*Proprietary Funds* – The LCB has one proprietary fund, the Printing Office Fund. This fund records fees charged to customers for printing services provided to other divisions of the LCB and other State agencies. Proprietary funds use the *accrual method of accounting*, the same method used by private-sector businesses.

**LEGISLATIVE COUNSEL BUREAU  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

Notes to the Financial Statements

The notes to financial statements provide helpful information explaining the LCB's significant accounting policies and additional information that is essential for a full understanding of the information provided in the financial statements.

Required Supplementary Information

Required supplementary information provides comparisons between budgeted and actual expenditures for the Legislative Fund. In addition, schedules related to pension liabilities, postemployment benefits other than pensions (OPEB) liabilities and contributions towards each are included. These schedules are the Schedule of the Share of the Net Pension Liability and the Schedule of the Contributions - Public Employees' Retirement System of Nevada, the Schedule of the Net Pension Liability and the Schedule of the Contributions - Legislators' Retirement System of Nevada, the Schedule of Changes in Net Pension Liability - Legislators' Retirement System of Nevada, the Schedule of the LCB's Proportionate Share of the Net OPEB liability, and the Schedule of LCB OPEB Contributions.

**FINANCIAL HIGHLIGHTS AND ANALYSIS OF THE LCB'S FUNDS**

The assets plus deferred outflows of resources of the LCB exceeded its liabilities plus deferred inflows of resources at June 30, 2024, by \$438,931,445 (net position). The net position decreased by \$155,331,445 from prior year-end.

At the close of the fiscal year, the LCB's governmental funds reported combined ending fund balances of \$325,858,100. Of this amount, \$297,287,631 is committed for specific purposes by the Legislature, \$2,130,871 is nonspendable, as it consists of inventory and prepayments, and \$26,439,598 is assigned for the general purposes of the LCB as determined by the Legislative Commission and the Interim Finance Committee. The elements of the LCB's fund balance are detailed in Note I to the financial statements. During the fiscal year, the fund balance of the Legislative Fund increased by \$20,162,019 and the fund balance of the Contingency Fund decreased by \$317,219,560.

The Printing Office has existed as a State agency since the late 1800's. During the 2003 session of the Legislature, the elimination of the Printing Office was considered by various state agency managers. However, the LCB's management concluded that the Printing Office was a valuable resource that provided a unique service to the LCB and other state agencies. Accordingly, effective July 1, 2003, the Legislature transferred the management of the Printing Office from the Executive Department to the LCB. The Printing Office is accounted for as a separate proprietary fund, as it provides services to both the divisions of the LCB and to other State agencies. In fiscal year 2024, its sales and other revenues totaled \$2,260,256 and its operating expenses totaled \$3,060,112.

**LEGISLATIVE COUNSEL BUREAU  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

Statement of Net Position

The following table presents condensed information concerning the Statement of Net Position for the fiscal years ended June 30, 2024 and 2023.

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Assets</b>						
Cash and						
cash equivalents	\$ 339,533,310	\$ 633,497,285	\$ 2,219,256	\$ 2,145,874	\$ 341,752,566	\$ 635,643,159
Other assets	5,786,266	1,357,042	306,488	1,019,822	6,092,754	2,376,864
Capital assets, net	176,366,008	32,072,965	2,276,722	2,121,336	178,642,730	34,194,301
Total assets	521,685,584	666,927,292	4,802,466	5,287,032	526,488,050	672,214,324
Deferred outflows of resources	26,017,564	24,623,225	960,446	896,099	26,978,010	25,519,324
<b>Liabilities</b>						
Current liabilities	21,104,382	13,346,839	278,784	222,793	21,383,166	13,569,632
Noncurrent liabilities	83,690,881	78,682,326	3,283,618	3,038,260	86,974,499	81,720,586
Total liabilities	104,795,263	92,029,165	3,562,402	3,261,053	108,357,665	95,290,218
Deferred inflows of resources	6,026,095	7,955,352	150,855	225,188	6,176,950	8,180,540
<b>Net position</b>						
Net investment in capital assets	174,021,593	30,807,343	2,276,722	2,121,336	176,298,315	32,928,679
Unrestricted	262,860,197	560,758,657	(227,067)	575,554	262,633,130	561,334,211
Total net position	\$ 436,881,790	\$ 591,566,000	\$ 2,049,655	\$ 2,696,890	\$ 438,931,445	\$ 594,262,890

The LCB's net position includes net investment in capital assets (e.g., land, buildings, and equipment). The principal items in this category are the Legislative Building, the Sedway Office Building and the State Printing Office Building located in Northern Nevada. This category also includes three buildings and two parking garages under construction at June 30, 2024 located in Southern Nevada. These assets are used to provide services to citizens; consequently, these assets are not available for future spending. The remainder of net position is considered unrestricted.

**LEGISLATIVE COUNSEL BUREAU  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

Statement of Activities

The following schedule shows the changes in net position for the years ended June 30, 2024 and 2023.

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Program revenues						
Charges for services						
Publication & gift shop sales, other income, & reimbursements	\$ 929,071	\$ 889,034	\$ -	\$ -	\$ 929,071	\$ 889,034
Capital contributions	51,523,293	-	-	-	51,523,293	-
Printing sales	-	-	2,260,256	2,876,494	2,260,256	2,876,494
General revenues						
Appropriations	181,396,989	672,601,534	-	-	181,396,989	672,601,534
Other	7,986,698	4,490,661	-	-	7,986,698	4,490,661
Total revenues	<u>241,836,051</u>	<u>677,981,229</u>	<u>2,260,256</u>	<u>2,876,494</u>	<u>244,096,307</u>	<u>680,857,723</u>
Expenses						
Programs						
Legislative	63,401,717	71,943,492	-	-	63,401,717	71,943,492
Interim	1,872,699	920,654	-	-	1,872,699	920,654
Printing	-	-	3,066,892	3,037,323	3,066,892	3,037,323
Reversions & allocations	<u>331,086,444</u>	<u>18,410,837</u>	<u>-</u>	<u>-</u>	<u>331,086,444</u>	<u>18,410,837</u>
Total expenses	<u>396,360,860</u>	<u>91,274,983</u>	<u>3,066,892</u>	<u>3,037,323</u>	<u>399,427,752</u>	<u>94,312,306</u>
Excess (deficiency) before transfers	(154,524,809)	586,706,246	(806,636)	(160,829)	(155,331,445)	586,545,417
Transfers	<u>(159,401)</u>	<u>(160,517)</u>	<u>159,401</u>	<u>160,517</u>	<u>-</u>	<u>-</u>
Change in net position	<u>\$ (154,684,210)</u>	<u>\$ 586,545,729</u>	<u>\$ (647,235)</u>	<u>\$ (312)</u>	<u>\$ (155,331,445)</u>	<u>\$ 586,545,417</u>

Program revenues include sales of publications, principally the reprinted Nevada Revised Statutes, of the Legal Division, in addition to various other revenues and reimbursements for special projects and studies. In fiscal year 2024, program revenues also included capital contributions from the State of Nevada consisting of buildings and land transferred to the LCB. General revenues include appropriations made to the Legislative and Contingency Funds for their recurring costs. Program expenses consist primarily of personnel costs of \$53,422,829 in fiscal year 2024 and \$59,688,812 in fiscal year 2023. The decrease of \$6,265,983 between the years reflects the additional regular and overtime personnel costs incurred in odd-numbered years in which Legislative Sessions are held. Reversions primarily represent funds remitted to the State of Nevada General Fund, while allocations primarily represent funds remitted to other State agencies upon approval of the Interim Finance Committee. Transfers are recorded internally between the LCB's funds.

**BUDGETARY HIGHLIGHTS**

The general appropriation act of the 2023 legislative session provided that the amounts appropriated to the individual divisions of the LCB could be transferred among the divisions with the approval of the Legislative Commission upon the recommendation of the Director of the LCB. No such transfers were required in fiscal year 2024. Because the Legislature is in session in odd-numbered years, prior year financials are not generally comparable. The most recent comparable period would be the fiscal year ended June 30, 2022.

**LEGISLATIVE COUNSEL BUREAU  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

**CAPITAL ASSETS AND LONG-TERM OBLIGATIONS**

At June 30, 2024, the LCB had invested \$177,052,213, net of accumulated depreciation, in a broad range of capital assets, as shown below. Depreciation of capital assets for fiscal year 2024 and fiscal year 2023 totaled \$3,262,396 and \$2,310,084, respectively.

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Capital assets being depreciated						
Buildings	\$ 54,760,066	\$ 39,383,196	\$ 744,617	\$ 744,617	\$ 55,504,683	\$ 40,127,813
Improvements to buildings & grounds	18,685,116	6,373,677	3,125,954	3,125,954	21,811,070	9,499,631
Furniture & equipment	17,406,266	10,025,844	3,622,207	3,980,662	21,028,473	14,006,506
Total capital assets being depreciated	90,851,448	55,782,717	7,492,778	7,851,233	98,344,226	63,633,950
Accumulated depreciation	(36,841,461)	(33,872,010)	(5,216,056)	(5,729,897)	(42,057,517)	(39,601,907)
Total capital assets, being depreciated, net	54,009,987	21,910,707	2,276,722	2,121,336	56,286,709	24,032,043
Capital assets not being depreciated						
Land	11,527,259	1,777,651	-	-	11,527,259	1,777,651
Construction in progress	109,238,245	8,266,954	-	-	109,238,245	8,266,954
Total capital assets not being depreciated	120,765,504	10,044,605	-	-	120,765,504	10,044,605
Capital assets, net	\$ 174,775,491	\$ 31,955,312	\$ 2,276,722	\$ 2,121,336	\$ 177,052,213	\$ 34,076,648

Capital Assets Summary

Additional detail regarding capital assets is provided in Note D to the financial statements.

At June 30, 2024, and as explained further in Note G to these statements, the LCB has a long-term obligation of \$774,000.

**ECONOMIC FACTORS**

At this time, the most significant factor likely to impact the financial future of the LCB is the health of the state, national and world economy.

**CONTACTING THE LCB'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the LCB's finances for all interested parties. Questions regarding this report or requests for additional financial information should be sent to Daniel E. Rushin, Chief Financial Officer, or Jolanta Astronomo, Chief Accountant, at the Legislative Counsel LCB, 401 S. Carson Street, Carson City, Nevada 89701.

**LEGISLATIVE COUNSEL BUREAU  
STATEMENT OF NET POSITION  
JUNE 30, 2024**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 339,533,310	\$ 2,219,256	\$ 341,752,566
Receivables			
Reversions receivable	3,637,319	-	3,637,319
Other	19,026	14,415	33,441
Inventory			
Publications	160,313	-	160,313
Paper	354,590	291,123	645,713
Gift shop merchandise	255,545	-	255,545
Internal balances	(950)	950	-
Deposits and prepayments	1,360,423	-	1,360,423
Total current assets	<u>345,319,576</u>	<u>2,525,744</u>	<u>347,845,320</u>
Noncurrent assets			
Leased assets, net of amortization	70,592	-	70,592
SBITA assets, net of amortization	1,519,925	-	1,519,925
Capital assets not being depreciated	120,765,504	-	120,765,504
Capital assets being depreciated, net	54,009,987	2,276,722	56,286,709
Total noncurrent assets	<u>176,366,008</u>	<u>2,276,722</u>	<u>178,642,730</u>
Total assets	<u>521,685,584</u>	<u>4,802,466</u>	<u>526,488,050</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to pension	24,505,780	886,850	25,392,630
Deferred outflows related to OPEB	1,511,784	73,596	1,585,380
Total deferred outflows of resources	<u>26,017,564</u>	<u>960,446</u>	<u>26,978,010</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	12,921,026	168,059	13,089,085
Reversions payable	3,931,214	-	3,931,214
Due to State of Nevada	2	-	2
Accrued liabilities	2,609,234	82,829	2,692,063
Current portion of compensated absences	713,090	27,896	740,986
Current portion of lease liabilities	50,490	-	50,490
Current portion of SBITA liabilities	477,326	-	477,326
Current portion of long-term obligations	402,000	-	402,000
Total current liabilities	<u>21,104,382</u>	<u>278,784</u>	<u>21,383,166</u>
Noncurrent liabilities			
Accrued compensated absences	4,040,841	158,078	4,198,919
Lease liabilities	-	-	-
SBITA liabilities	1,042,599	-	1,042,599
Long-term obligations	372,000	-	372,000
Net pension liability	59,839,879	2,128,630	61,968,509
Net OPEB liability	18,395,562	996,910	19,392,472
Total noncurrent liabilities	<u>83,690,881</u>	<u>3,283,618</u>	<u>86,974,499</u>
Total liabilities	<u>104,795,263</u>	<u>3,562,402</u>	<u>108,357,665</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources related to pension	4,501,070	72,948	4,574,018
Deferred inflows related to OPEB	1,525,025	77,907	1,602,932
Total deferred inflows of resources	<u>6,026,095</u>	<u>150,855</u>	<u>6,176,950</u>
<b>NET POSITION</b>			
Net investment in capital assets	174,021,593	2,276,722	176,298,315
Unrestricted	262,860,197	(227,067)	262,633,130
Total net position	<u>\$ 436,881,790</u>	<u>\$ 2,049,655</u>	<u>\$ 438,931,445</u>

The accompanying notes are an integral part of this statement.

**LEGISLATIVE COUNSEL BUREAU  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position		Total
		Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
<b>Governmental activities:</b>						
Legislative Commission	\$ 133,985	\$ -	\$ -	\$ (133,985)	\$ -	\$ (133,985)
Legislative Session	4,763,043	2,355	-	(4,760,688)	-	(4,760,688)
Interim Finance Committee	58,529	-	-	(58,529)	-	(58,529)
Administrative Division	26,177,668	185,411	-	(25,992,257)	-	(25,992,257)
Audit Division	6,564,862	-	-	(6,564,862)	-	(6,564,862)
Legal Division	9,057,231	319,272	-	(8,737,959)	-	(8,737,959)
Fiscal Analysis Division	5,258,072	-	-	(5,258,072)	-	(5,258,072)
Research Division	6,079,223	42	-	(6,079,181)	-	(6,079,181)
Interim Nevada Legislature	1,872,699	-	-	(1,872,699)	-	(1,872,699)
Special Projects and Studies	1,845,360	421,991	51,523,293	50,099,924	-	50,099,924
Publication cost of sales, distributions and disposals	1,711	-	-	(1,711)	-	(1,711)
Interest on long-term obligations, leases and SBITA's	50,056	-	-	(50,056)	-	(50,056)
Unallocated depreciation and amortization expense	3,391,806	-	-	(3,391,806)	-	(3,391,806)
Reversions to State of Nevada General Fund	3,931,214	-	-	(3,931,214)	-	(3,931,214)
Allocations to State of Nevada funds	327,155,230	-	-	(327,155,230)	-	(327,155,230)
<b>Total governmental activities</b>	<b>396,340,689</b>	<b>929,071</b>	<b>51,523,293</b>	<b>(343,888,325)</b>	<b>-</b>	<b>(343,888,325)</b>
<b>Business-type activities:</b>						
Printing	3,060,112	2,260,256	-	-	(799,856)	(799,856)
<b>Total business-type activities</b>	<b>3,060,112</b>	<b>2,260,256</b>	<b>-</b>	<b>-</b>	<b>(799,856)</b>	<b>(799,856)</b>
<b>Total</b>	<b>\$ 399,400,801</b>	<b>\$ 3,189,327</b>	<b>\$ 51,523,293</b>	<b>(343,888,325)</b>	<b>(799,856)</b>	<b>(344,688,181)</b>
<b>General Revenues</b>						
State of Nevada General and Highway Funds appropriations				181,396,989	-	181,396,989
Reversions and reimbursements from State of Nevada funds				5,666,452	-	5,666,452
Gain (loss) on disposal of assets				(20,171)	(6,780)	(26,951)
Interest income				2,320,246	-	2,320,246
<b>Transfers</b>				(159,401)	159,401	-
<b>Total general revenues and transfers</b>				<b>189,204,115</b>	<b>152,621</b>	<b>189,356,736</b>
<b>CHANGE IN NET POSITION</b>						
				(154,684,210)	(647,235)	(155,331,445)
<b>Net position, beginning</b>				<b>591,566,000</b>	<b>2,696,890</b>	<b>594,262,890</b>
<b>Net position, ending</b>				<b>\$ 436,881,790</b>	<b>\$ 2,049,655</b>	<b>\$ 438,931,445</b>

The accompanying notes are an integral part of this statement.



**LEGISLATIVE COUNSEL BUREAU  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024**

	Legislative Fund	Contingency Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 178,945,485	\$ 160,587,825	\$ 339,533,310
Receivables			
Due from State of Nevada	-	3,637,319	3,637,319
Other	19,026	-	19,026
Inventory			
Publications	160,313	-	160,313
Paper	354,590	-	354,590
Gift shop merchandise	255,545	-	255,545
Deposits and prepayments	1,360,423	-	1,360,423
Total assets	\$ 181,095,382	\$ 164,225,144	\$ 345,320,526
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 12,918,294	\$ 2,732	\$ 12,921,026
Due to other funds	950	-	950
Reversions payable	5,000	3,926,214	3,931,214
Due to State of Nevada	2	-	2
Accrued liabilities	2,609,234	-	2,609,234
Total liabilities	15,533,480	3,928,946	19,462,426
Fund balances			
Nonspendable	2,130,871	-	2,130,871
Committed	136,991,433	160,296,198	297,287,631
Assigned	26,439,598	-	26,439,598
Total fund balances	165,561,902	160,296,198	325,858,100
Total liabilities and fund balances	\$ 181,095,382	\$ 164,225,144	\$ 345,320,526

The accompanying notes are an integral part of this statement.

**LEGISLATIVE COUNSEL BUREAU  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2024**

**Total fund balances - per governmental funds balance sheet** \$ 325,858,100

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:

Land and construction in progress	\$ 120,765,504	
Buildings and improvements	73,445,182	
Furniture and equipment	17,406,266	
Accumulated depreciation	<u>(36,841,461)</u>	174,775,491

Leased and SBITA assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:

Leased asset at historical cost	188,245	
Accumulated amortization	(117,653)	
SBITA assets at historical cost	1,747,965	
Accumulated amortization	<u>(228,040)</u>	1,590,517

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Those liabilities consist of:

Accrued compensated absences	(4,753,931)	
Lease liabilities	(50,490)	
SBITA liabilities	(1,519,925)	
Long term obligations	(774,000)	
Net pension liability	(59,839,879)	
Net OPEB liability	<u>(18,395,562)</u>	(85,333,787)

Deferred outflows and inflows or resources related to pensions and OPEB are applicable to future periods and, therefore, not reported in the funds.

Deferred outflows of resources related to pensions	24,505,780	
Deferred outflows of resources related to OPEB	1,511,784	
Deferred inflows of resources related to pensions	(4,501,070)	
Deferred inflows of resources related to OPEB	<u>(1,525,025)</u>	<u>19,991,469</u>

**Net position of governmental activities** \$ 436,881,790

The accompanying notes are an integral part of this statement.

**LEGISLATIVE COUNSEL BUREAU**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Legislative Fund</u>	<u>Contingency Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>			
Publication and gift shop sales	\$ 85,571	\$ -	\$ 85,571
Other income and reimbursements	843,500	-	843,500
Interest income	2,320,246	-	2,320,246
Intergovernmental			
State of Nevada General and Highway Funds appropriations	171,113,895	10,283,094	181,396,989
Reversions and reimbursements from State of Nevada funds	<u>2,029,133</u>	<u>3,637,319</u>	<u>5,666,452</u>
Total revenues	<u>176,392,345</u>	<u>13,920,413</u>	<u>190,312,758</u>
<b>Expenditures</b>			
Current			
Legislative Commission	133,985	-	133,985
Legislative Session	5,011,822	-	5,011,822
Interim Finance Committee	-	58,529	58,529
Administrative Division	25,713,291	-	25,713,291
Audit Division	6,437,325	-	6,437,325
Legal Division	8,853,707	-	8,853,707
Fiscal Analysis Division	5,139,685	-	5,139,685
Research Division	5,943,090	-	5,943,090
Interim Nevada Legislature	1,832,959	-	1,832,959
Special Projects and Studies	1,845,360	-	1,845,360
Publication cost of sales, distributions and disposals	1,711	-	1,711
Capital outlay	96,181,727	-	96,181,727
Debt service			
Long-term obligation principal and lease payments	669,172	-	669,172
Long-term obligation and lease interest payments	50,056	-	50,056
Intergovernmental			
Reversions to State of Nevada General Fund	5,000	3,926,214	3,931,214
Allocations to other State of Nevada funds	-	327,155,230	327,155,230
Total expenditures	<u>157,818,890</u>	<u>331,139,973</u>	<u>488,958,863</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	18,573,455	(317,219,560)	(298,646,105)
<b>Other financing sources (uses)</b>			
SBITA liabilities incurred	1,747,965	-	1,747,965
Transfers out	<u>(159,401)</u>	-	<u>(159,401)</u>
Total other financing sources (uses)	<u>1,588,564</u>	-	<u>1,588,564</u>
<b>NET CHANGE IN FUND BALANCES</b>	20,162,019	(317,219,560)	(297,057,541)
<b>Fund balances, July 1</b>	<u>145,399,883</u>	<u>477,515,758</u>	<u>622,915,641</u>
<b>Fund balances, June 30</b>	<u>\$ 165,561,902</u>	<u>\$ 160,296,198</u>	<u>\$ 325,858,100</u>

The accompanying notes are an integral part of this statement.

**LEGISLATIVE COUNSEL BUREAU  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT  
OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024**

**Net change in fund balances - total governmental funds** \$ (297,057,541)

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets exceeding the capitalization threshold is allocated over their estimated useful lives as depreciation expense. Also, capital assets financed with leases and subscriptions, and their related amortization expense, are not included in governmental funds. In the current period, these amounts are:

Capital outlay reported in governmental funds	\$ 96,181,727	
Contributed capital assets	51,523,293	
Depreciation expense	(3,116,705)	
SBITA asset amortization expense	(228,040)	
Leased asset amortization expense	<u>(47,061)</u>	144,313,214

Losses in the statement of activities that do not consume current financial resources are not reported in governmental funds (20,171)

Repayment of long-term obligations, lease payments, and SBITA payments are reported as an expenditures in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 669,172

The incurment of SBITA liabilities provides current financial resources to governmental funds but does not have any effect on net position. (1,747,965)

Some expenses reported in the statement of activities do not require the use of current financial resources and are therefore not reported as expenditures in governmental funds. In the current period, these amounts are:  
Change in compensated absences 1,692,874

Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned is reported as pension expense.

Pension contributions	5,124,922	
Pension expense	<u>(7,594,210)</u>	(2,469,288)

Governmental funds report OPEB contributions as expenditures. However, in the Statement of Activities, the cost of OPEB benefits earned is reported as OPEB expense.

OPEB contributions	1,036,881	
OPEB expense	<u>(1,101,386)</u>	<u>(64,505)</u>

**Change in net position of governmental activities** \$ (154,684,210)

The accompanying notes are an integral part of this statement.

**LEGISLATIVE COUNSEL BUREAU  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2024**

	<b>Printing Office Fund</b>
<b>ASSETS</b>	
Current assets	
Cash and cash equivalents	\$ 2,219,256
Receivables	
Other	14,415
Inventories	291,123
Due from other funds	950
Total current assets	2,525,744
Noncurrent assets	
Capital assets, net of accumulated depreciation	2,276,722
Total assets	4,802,466
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources related to pension	886,850
Deferred outflows related to OPEB	73,596
Total deferred outflows of resources	960,446
Total assets and deferred outflows of resources	5,762,912
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	168,059
Accrued liabilities	82,829
Compensated absences due within one year	27,896
Total current liabilities	278,784
Noncurrent liabilities	
Compensated absences due after one year	158,078
Pension benefit liability	2,128,630
Net OPEB liability	996,910
Total noncurrent liabilities	3,283,618
Total liabilities	3,562,402
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources related to pension	72,948
Deferred inflows related to OPEB	77,907
Total deferred inflows of resources	150,855
Total liabilities and deferred inflows of resources	3,713,257
<b>NET POSITION</b>	
Net investment in capital assets	2,276,722
Unrestricted	(227,067)
Total net position	\$ 2,049,655

The accompanying notes are an integral part of this statement.

**LEGISLATIVE COUNSEL BUREAU  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2024**

	<b>Printing Office Fund</b>
<b>Operating revenues</b>	
Printing sales	\$ 2,251,681
Recycling and other income	8,575
Total operating revenues	2,260,256
<b>Operating expenses</b>	
Personnel costs	1,953,141
Paper and other printing supplies	522,337
Maintenance and repairs	75,121
Utilities	89,674
Software purchased and maintained	80,974
State-owned building rent	129,401
Operating supplies	12,612
Insurance	11,659
Other operating expenses	39,502
Depreciation and amortization	145,691
Total operating expenses	3,060,112
Operating income (loss)	(799,856)
<b>Nonoperating revenues (expenses)</b>	
Loss on disposal of capital assets	(6,780)
<b>Transfers in</b>	159,401
<b>CHANGE IN NET POSITION</b>	(647,235)
<b>Net position, July 1</b>	2,696,890
<b>Net position, June 30</b>	\$ 2,049,655

The accompanying notes are an integral part of this statement.

**LEGISLATIVE COUNSEL BUREAU  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2024**

	<b>Printing Office Fund</b>
<b>Cash flows from operating activities:</b>	
Receipts from customers	\$ 1,097,472
Receipts from interfund services provided	1,148,758
Payments to suppliers	(784,952)
Payments to employees	(1,842,169)
Net cash provided (used) by operating activities	(380,891)
<b>Cash flows from noncapital financing activities:</b>	
Transfers from other funds	762,130
Net cash provided (used) by noncapital financing activities	762,130
<b>Cash flows from capital and related financing activities:</b>	
Sale of capital assets	3,643
Purchases of capital assets	(311,500)
Net cash provided (used) by capital and related financing activities	(307,857)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	73,382
<b>Cash and cash equivalents, July 1</b>	2,145,874
<b>Cash and cash equivalents, June 30</b>	\$ 2,219,256
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>	
Operating income (loss)	\$ (799,856)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation and amortization	145,691
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
Receivables - other	(14,026)
Inventories	124,631
Accounts payable	51,697
Accrued liabilities	4,508
Compensated absences	(1,425)
Deferred outflows of resources related to pension	(57,801)
Pension benefit liability	216,218
Deferred inflows of resources related to pension	(53,030)
Deferred outflows related to OPEB	(6,546)
Net OPEB liability	30,351
Deferred inflows related to OPEB	(21,303)
Net cash provided (used) by operating activities	\$ (380,891)

The accompanying notes are an integral part of this statement.

**LEGISLATIVE COUNSEL BUREAU  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE A - SUMMARY OF ACCOUNTING POLICIES**

The financial statements of the State of Nevada Legislative Counsel Bureau (LCB) have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to financial statements of funds and/or departments of governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following summary of significant accounting policies is presented to assist the reader in evaluating the LCB's financial statements.

**1. Reporting Entity**

The LCB serves as the administrative agency for the Legislature of the State of Nevada (the Legislature). Per Nevada Revised Statutes (NRS) Chapter 218F.300, all administrative services necessary to the operation of the Legislature during and between regular and special sessions must be provided by the Legislative Counsel Bureau at the expense of the Legislative Fund. The LCB consists of the Legislative Commission, an Interim Finance Committee, a Director, an Audit Division, a Fiscal Analysis Division, a Legal Division, a Research Division, and an Administrative Division.

The financial statements of the LCB include the Legislative Fund, the Contingency Fund, and the Printing Office Fund and present only those funds. The LCB's financial statements are not intended to present any individual funds of the State of Nevada in a manner consistent with how those funds are reported in the State of Nevada's Annual Comprehensive Financial Report (ACFR). As more fully described below, the Legislative Fund and the Contingency Fund are reported as major funds in the financial statements of the LCB. However, the State of Nevada reports these funds as accounts within the State of Nevada General Fund in the State's ACFR.

The LCB is governed by the Legislative Commission, which consists of 12 legislators who exercise general policy-making and supervisory authority over the operations of the LCB. For consistency purposes, the term "government" as used in "government-wide" refers to the LCB.

**Funds**

The LCB accounts for its activities in two governmental funds and a proprietary fund, all of which are considered to be major funds for purposes of this report. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the LCB's two governmental funds and single proprietary fund.

***Governmental Funds***

a. **Legislative Fund**

The Legislative Fund is used to account for the activities of the Nevada Legislature, Legislative Commission, Audit Division, Legal Division, Fiscal Analysis Division, Research Division, Administrative Division, Interim Nevada Legislature, and other activities of the LCB for which appropriations have been provided, except those of the Interim Finance Committee.



**LEGISLATIVE COUNSEL BUREAU  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

The Legislative Fund is reported as a special revenue fund in the financial statements of the LCB. However, from the perspective of the State of Nevada, the Legislative Fund does not meet the definition of a special revenue fund as set forth in Statement No. 54 of the Governmental Accounting Standards Board, *Fund Balance Reporting and Governmental Fund Type Definitions*, which became effective July 1, 2010. Therefore, the Legislative Fund is reported as part of the State of Nevada's General Fund in the State of Nevada's ACFR.

The Legislative Fund is primarily supported by appropriations from the State of Nevada General and Highway Funds, as well as publication and gift shop sales and other income and reimbursements. Responsibilities of divisions within the Legislative Fund include:

*Audit Division* – Performs audits of the executive and judicial branches of State government. The audits furnish independent and factual information to assist the Legislature in the discharge of its constitutional duties.

*Legal Division* – Drafts bills and resolutions, issues legal opinions to Legislators, provides committee counsel to all interim studies and certain standing committees, reviews administrative regulations, and produces the printed and electronic versions of the Nevada Revised Statutes, the Nevada Administrative Code, and various other publications.

*Fiscal Analysis Division* – Provides the Legislature with the capability for independent review and analysis of budgetary and fiscal matters. The Fiscal Analysis Division also examines the Executive Budget and suggests possible changes, provides expenditure and revenue projections to aid the legislative money committees, and assists the Legislature in the interpretation of factual data related to the fiscal aspects of the operation of state and local government.

*Research Division* – Conducts policy analysis and research on a wide variety of subjects at the request of legislators, legislative committees, other state and local officials, and citizens of Nevada. The Research Division also responds to inquiries concerning Nevada's government, laws and public issues from residents, counterpart agencies, and public officials of other states.

*Administrative Division* – Provides accounting, personnel, information technology and facility management support to the Legislature and the other divisions of the LCB.

*Interim Nevada Legislature* – Consists of the Senate and Assembly administrative staff that serve the Legislature during the interim period between legislative sessions.

b. Contingency Fund

In 1969, the Legislature created the Interim Finance Committee to function within the LCB between sessions and administer a Contingency Fund. The Contingency Fund was set up to provide provisional funds for State agencies and account for the activities of the Interim Finance Committee when the Legislature is not in session.

The Contingency Fund is reported as a special revenue fund in the financial statements of the LCB. However, from the perspective of the State of Nevada, the Contingency Fund does not meet the definition of a special revenue fund as set forth in Statement No. 54 of the Governmental Accounting Standards

**LEGISLATIVE COUNSEL BUREAU  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

Board, *Fund Balance Reporting and Governmental Fund Type Definitions*, which became effective July 1, 2010. Therefore, the Contingency Fund is reported as part of the State of Nevada's General Fund in the State of Nevada's ACFR.

The Contingency Fund is primarily supported by appropriations from the State of Nevada General and Highway Funds and reversions and reimbursements from other State agencies.

***Proprietary Fund (Enterprise)***

c. Printing Office Fund

The Printing Office provides printing services to the divisions of the LCB, other State agencies, and various Nevada local governments on a fee basis. The Printing Office Fund is reported as an enterprise proprietary fund in the financial statements of the LCB, as other State agencies are considered external entities. However, from the State of Nevada's perspective, all State agencies are internal entities. Therefore, the Printing Office is reported as an Internal Service Fund in the State of Nevada's ACFR.

**2. Government-wide and Fund Financial Statements**

The LCB's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements that provide a more detailed level of financial information.

a. Government-wide Financial Statements

The statement of net position and the statement of activities display information about the LCB as a whole.

The statement of net position presents the financial condition of the LCB at year-end. The statement of activities presents a comparison between direct expenses and program revenues of the LCB. Direct expenses are those that are specifically associated with a service, and therefore clearly identifiable to a particular function or business-type activity. Program revenues include charges paid by the recipient of the goods or services offered by the program. Revenues that are not classified as program revenues are presented as general revenues of the LCB. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business-type activity is self-financing or draws from the general revenues or transfers of the LCB.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements unless doing so would distort the direct costs and program revenues between business-type and governmental activities.

b. Fund Financial Statements

The financial transactions of the LCB are recorded in individual funds. Major individual governmental funds and proprietary funds are reported as separate columns in the fund financial statements.

**LEGISLATIVE COUNSEL BUREAU**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

c. Reconciliation of Government-wide and Fund Financial Statements

The governmental fund balance sheet includes a reconciliation between fund balances in the governmental funds and net position reported in the government-wide statements. These adjustments reflect the changes necessary to report the governmental fund balances on the economic resources measurement focus and accrual basis of accounting. Capital assets and long-term debt are added to the governmental funds to present the long-term view of the governmental activities column.

A similar reconciliation is included for the statement of revenues, expenditures and changes in fund balances for the governmental funds. These adjustments reflect the transition from the modified accrual basis of accounting for governmental funds to the accrual basis of accounting for the statement of activities. Capital outlay is removed and the acquired assets are capitalized and reported as capital assets on the statement of net position with depreciation expense. Because the LCB records all equipment purchases as capital outlay, regardless of whether the expenditure meets the LCB's capitalization threshold, there may be a variance between capital outlay and capital expenditures in this reconciliation. In addition, principal payments on long-term debt are reported as reductions of the outstanding liabilities.

**3. Measurement Focus**

a. Government-wide Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all the activities of the LCB, using the *economic resources measurement focus*. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows.

b. Fund Financial Statements

Both governmental funds are accounted for using the *current financial resources measurement focus*. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. The proprietary fund financial statements are reported using the *economic resources measurement focus* and the accrual basis of accounting.

**4. Basis of Accounting**

Basis of accounting determines when transactions are recognized in the accounts and reported in the financial statements. Government-wide financial statements and the proprietary fund's financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue and in the presentation of expenses versus expenditures.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to

**LEGISLATIVE COUNSEL BUREAU  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

be used to pay liabilities of the current fiscal year. For the LCB, available means expected to be received within 90 days of fiscal year end. Substantially all the revenues in the governmental funds are susceptible to accrual.

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

The proprietary fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the LCB's proprietary fund are charges to customers for services. Operating expenses for the proprietary fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the LCB's policy to use restricted resources first, then unrestricted resources as needed. In governmental funds, the LCB's policy is to first apply the expenditure toward restricted fund balance, then to other, less restrictive classifications - committed and then assigned fund balances – before using any unassigned fund balance.

**5. Cash and Cash Equivalents**

The LCB's cash and cash equivalents consist of on hand, demand deposits, and cash resources deposited with the Treasurer of the State of Nevada (the Treasurer). Deposits with the Treasurer are combined with resources of the State funds and other governments within the State to form a pool of cash and investments. Earnings from these pooled investments are credited to the General Fund of the State of Nevada, except for amounts credited to various other funds in accordance with law, contract, or as the result of conditions relating to grant awards. The LCB does not receive any allocation of investment earnings from its participation in the investment pool. For insurance and collateral purposes, cash accounts are commingled with all of the cash accounts of the State.

For purposes of the statement of cash flows, the LCB considers all highly liquid investments, including pooled cash and investments, with original maturities of three months or less to be cash equivalents.

**6. Inventory**

Inventories of publications held for resale, gift shop merchandise, and paper inventory are valued at the lower of cost or market in the governmental funds and in the government-wide and proprietary fund financial statements. Cost is determined using the first in, first out method.

**7. Deposits and Prepayments**

Payments made to vendors for services that will benefit periods beyond June 30 are recorded as deposits and/or prepayments. A current asset for the deposit or prepayment amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

**LEGISLATIVE COUNSEL BUREAU  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**8. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position/governmental funds balance sheet may report a separate section for deferred outflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period (s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The LCB recognizes deferred outflow of resources as it relates to the net pension liability or asset as well as the net postemployment benefits other than pensions liability.

In addition to liabilities, the statement of net position/balance sheet governmental funds may report a separate section 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 (s) and so will not be recognized as an inflow of resources (revenue) until that time. The LCB recognizes deferred inflow of resources as it relates to the net pension liability or asset as well as the net postemployment benefits other than pensions liability.

**9. Capital Assets**

Capital assets, which include land, construction-in-progress, buildings, improvements to buildings and grounds, and equipment are reported in the government-wide statement of net position, but are not reported in the fund financial balance sheet. In the fund financial statements, purchases of capital assets are reported as expenditures in the statement of revenues, expenditures, and changes in fund balance.

Capital assets with a useful life of more than one year and an initial, individual cost of \$10,000 or more for furniture and equipment, \$50,000 or more for Improvements to Buildings and Grounds and \$500,000 or more for buildings are capitalized. Group assets, which are defined as acquisitions of furniture and equipment purchased as a group near the same time with a single objective that have a total cost of \$100,000 or more in aggregate, are also capitalized. All such assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

Contributed capital assets are recorded at the carrying value at the date of contribution. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives, and equipment purchases with an individual cost less than \$10,000, are not capitalized.

Buildings, improvements to buildings and grounds, and furniture and equipment are depreciated in the accompanying financial statements. Depreciation is calculated on a straight-line basis, using the mid-year convention, over the following estimated useful lives:

Land	Not depreciated
Buildings and building improvements	40-50 years
Improvements to grounds	20 years
Furniture and equipment	3 to 10 years
Group assets – Furniture and equipment	3 to 10 years

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**10. Leases and Subscription-Based Information Technology Arrangements (SBITAs)**

The LCB is a lessee for one lease of equipment. The LCB recognizes a lease liability and an intangible right-of-use leased asset in the government-wide statements. The LCB recognizes lease liabilities based on the determination criteria set by GASB Statement No. 87, *Leases*.

At the commencement of a lease, the LCB initially measures the lease liability at the present value of payments expected to be made during the lease term and the liability is subsequently reduced by the principal portion of lease payments made. The leased asset is initially measured at the amount of the lease liability and is amortized on a straight-line basis over the shorter of the lease term or its useful life.

The LCB enters into various software arrangements that require recognition under GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The LCB recognizes a subscription liability and an intangible right-of-use subscription asset in the government-wide statements.

At the commencement of a subscription term, the LCB initially measures the subscription liability at the present value of payments expected to be made during the subscription term and the liability is subsequently reduced by the principal portion of subscription payments made. The subscription asset is initially measured at the amount of the subscription liability and is amortized on a straight-line basis over the shorter of the subscription term or its useful life.

**11. Compensated Absences**

LCB employees earn annual vacation leave at the following rates:

1 to 10 years of service	1.25 days per month
11 to 15 years of service	1.50 days per month
Over 15 years of service	1.75 days per month

Unused annual vacation leave must not exceed 240 hours at December 31st of each calendar year. Employees earn sick leave at the rate of 1.25 days per month. Overtime is earned at time and one-half for those employees who are not executives, professional, or supervisors, as determined by the Director of the LCB. Annual leave is paid only after 6 months of employment. All accrued annual vacation and overtime is payable upon termination, resignation, retirement, or death.

Unused sick leave is paid at time of retirement from service, no-fault termination, or death while in public employment, if the employee has been employed for 10 years or more, at the following rates:

10 years but less than 15, payment of not more than	\$2,500
15 years but less than 20, payment of not more than	\$4,000
20 years but less than 25, payment of not more than	\$6,000
25 or more years, payment of not more than	\$8,000

The governmental fund financial statements record expenditures when employees are paid for leave. The government-wide financial statements present the cost of accumulated vacation, sick, and overtime leave as a liability when earned.

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**12. Pensions**

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

**13. Postemployment Benefits Other Than Pensions (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, the plan recognizes benefit payments when due and payable in accordance with the benefit terms. Plan assets are measured at fair value.

**14. Noncurrent Liabilities**

Noncurrent liabilities are not presented in the fund financial statements. In the government-wide financial statements, noncurrent liabilities include amounts related to compensated absences, lease liabilities, SBITA liabilities, long-term obligations, net pension liabilities, and net OPEB liabilities.

**15. Fund Balance**

In the governmental fund financial statements, fund balances are classified as follows:

- Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted – Amounts that can be spent only for specific purposes because of federal laws or externally imposed conditions by grantors or creditors.
- Committed – Amounts that can be used only for specific purposes determined by a formal action through a bill or resolution of the Legislature or by formal approval of the Director of the LCB. A similar action is required to remove or modify a commitment.
- Assigned – Amounts that are designated by the Director of the LCB for a particular purpose.
- Unassigned – All amounts not included in other spendable classifications.

**16. Net Position**

In the government-wide and proprietary financial statements, net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets consists of capital assets, reduced by accumulated depreciation and the outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets, if any. Restricted net position consists of net position with constraints placed on its 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 is net position not meeting the definitions of the other categories.

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**17. Budget Procedures**

The Legislature meets every two years, at which time it appropriates monies to the Legislative and the Contingency Funds for the next biennium. In general, separate appropriations are approved for each year of the biennium, except that in the case of the Contingency Fund and certain projects and studies of the Legislative Fund, the appropriation made in the first year of the biennium is intended to cover all expenditures during the biennium. The legal level of budgetary control, the level at which the appropriations are approved and the level at which over-expenditure of appropriations or transfers of appropriated amounts may not occur without Legislative action, is at the total program level within the LCB.

Budgetary authority may be transferred among divisions of the LCB, and between fiscal years, upon approval of either the Legislative Commission or the Director of the LCB. The Contingency Fund and Printing Fund do not prepare budgets.

**NOTE B - CASH AND CASH EQUIVALENTS**

**1. Cash and Cash Equivalents**

The following schedule summarizes cash and cash equivalents for the Legislative, Contingency, and Printing Office Funds at June 30, 2024:

	Cash and Cash Equivalents
Cash on hand	\$ 2,000
Cash in bank	
Wells Fargo, Nevada	10,874,922
Cash with State Treasurer	330,875,644
	\$ 341,752,566

**Custodial Credit Risk**

All deposits other than those held by the State Treasurer are primarily on deposit with a single financial institution and are carried at cost. The carrying amount of cash in the bank at June 30, 2024 is \$10,874,922. The bank balance is \$11,387,372. The LCB participates in the Nevada State Collateral Pool for public fund deposits. Depository banks are required to place acceptable securities of no less than 102% of the market value of the total deposits of public entities in Nevada with a third-party custodian. The collateral pool is administered and monitored by the Treasurer. Due to its participation in the Nevada State Collateral Pool, the LCB's deposits were fully insured and collateralized, and as such, were not exposed to any custodial credit risk.



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**NOTE C - RECEIVABLES**

At June 30, 2024, receivables consisted of the following:

	Legislative Fund	Contingency Fund	Printing Office Fund	Total
Reversions receivable	\$ -	\$ 3,637,319	\$ -	\$ 3,637,319
Other	19,026	-	14,415	33,441
	<u>\$ 19,026</u>	<u>\$ 3,637,319</u>	<u>\$ 14,415</u>	<u>\$ 3,670,760</u>

The allowance for doubtful accounts amounted to \$0 at June 30, 2024 as the majority of receivables are due from other State agencies and are considered collectible.

**NOTE D - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2024 was as follows:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024
<u>Governmental activities</u>				
Capital assets not being depreciated				
Land	\$ 1,777,651	\$ 9,749,608	\$ -	\$ 11,527,259
Construction in progress	8,266,954	108,253,601	(7,282,310)	109,238,245
Total Capital assets not being depreciated	10,044,605	118,003,209	(7,282,310)	120,765,504
Capital assets being depreciated				
Buildings	39,383,196	15,398,974	(22,104)	54,760,066
Improvements to buildings and grounds	6,373,677	12,311,439	-	18,685,116
Furniture and equipment	10,025,844	7,525,743	(145,321)	17,406,266
Total capital assets being depreciated	55,782,717	35,236,156	(167,425)	90,851,448
Less accumulated depreciation				
Buildings	(22,862,569)	(1,080,141)	1,934	(23,940,776)
Improvements to buildings and grounds	(4,904,126)	(595,027)	-	(5,499,153)
Furniture and equipment	(6,105,315)	(1,441,537)	145,320	(7,401,532)
Total accumulated depreciation	(33,872,010)	(3,116,705)	147,254	(36,841,461)
Total capital assets being depreciated, net	21,910,707	32,119,451	(20,171)	54,009,987
Governmental activities capital assets, net	<u>\$ 31,955,312</u>	<u>\$ 150,122,660</u>	<u>\$ (7,302,481)</u>	<u>\$ 174,775,491</u>

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	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024
<b><u>Business-type activities</u></b>				
Capital assets being depreciated				
Buildings	\$ 744,617	\$ -	\$ -	\$ 744,617
Improvements to buildings and grounds	3,125,954	-	-	3,125,954
Furniture and equipment	3,980,662	311,500	(669,955)	3,622,207
Total capital assets being depreciated	7,851,233	311,500	(669,955)	7,492,778
Less accumulated depreciation				
Buildings	(744,617)	-	-	(744,617)
Improvements to buildings and grounds	(1,292,270)	(78,260)	-	(1,370,530)
Furniture and equipment	(3,693,010)	(67,431)	659,532	(3,100,909)
Total accumulated depreciation	(5,729,897)	(145,691)	659,532	(5,216,056)
Business-type activities capital assets, net	<u>\$ 2,121,336</u>	<u>\$ 165,809</u>	<u>\$ (10,423)</u>	<u>\$ 2,276,722</u>

The LCB's capital assets serve all functional activities. Therefore, depreciation is unallocated and not charged to specific functions. Construction in progress and remaining commitments as of June 30, 2024 were as follows:

Project	Spent to Date	Remaining Commitment
Building Additions - 7230 Amigo Street (MC10)	\$ 37,752,034	\$ -
Building Additions - 7120 Amigo Street (MC17)	24,770,827	1,413,476
Southern Nevada Parking Garage Project	21,146,541	27,197,535
Legislative Building West Entrance Addition & Security Plaza	10,026,000	7,830,523
Audiovisual Infrastructure - 7120 Amigo Street (MC17)	5,740,314	-
Audiovisual Infrastructure - 7230 Amigo Street (MC10)	2,552,351	-
Legislative Building Exterior Restoration & Renovation	2,073,438	6,783,889
Surveillance System - 7230 Amigo Street (MC10)	1,049,000	-
Legislative Properties Security System Upgrades	1,021,928	-
Southern/Northern Nevada Network Equipment Project	918,080	-
Legislative Building Generator Replacement	377,943	-
Human Resources Management System	293,900	-
Legislative Building Boiler Replacement	274,623	672,483
Legislative Building Elevator Safety Code Compliance Project	239,975	1,006,301
Legislative Building Exterior Granite Replacement	229,575	-
Legislative Building ADA Restroom Upgrade Project	206,625	10,854
Northern Nevada Parking Garage Energy Project	128,161	-
Audiovisual/ITS Infrastructure -Southern Nevada Parking Garage	114,026	-
Grounds Renovation Project	105,867	-
Access Control/Camera System -Southern Nevada Parking Garage	99,822	-
Legislative Building Flooring Replacement Project	70,071	22,306
Legislative Building Annex & Parking Garage	20,075	-
Legislative Building Balcony Remodel	17,221	28,454
Legislative Properties Parking Lot Surface and Curb Replacement	7,800	-
LED Lighting Upgrade Project	2,048	-
	<u>\$ 109,238,245</u>	<u>\$ 44,965,821</u>

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**NOTE E - COMPENSATED ABSENCES**

For Governmental Fund Types:

The costs attributable to vacation time and sick leave benefits are not accrued as earned, but are recorded as payroll costs (an expenditure) at the time of actual use or at the termination of service at the LCB. No liability is recorded for non-vesting accumulated rights to receive sick pay benefits.

For Proprietary Fund Types:

The costs are recognized as expenses when the benefits are earned.

Compensated absences activity for the fiscal year ended June 30, 2024 was as follows:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Governmental activities					
Compensated absences	\$ 6,446,805	\$ 5,054,488	\$ (6,747,362)	\$ 4,753,931	\$ 713,090
Business-type activities					
Compensated absences	\$ 187,399	\$ 113,546	\$ (114,971)	\$ 185,974	\$ 27,896

The compensated absences liability attributable to the governmental activities will be liquidated primarily by the Legislative Fund.

**NOTE F – LEASES AND SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGMENTS (SBITAs)**

Lease Liability

In February 2022, the LCB entered into a four-year lease agreement with Evolv Technologies for security screening equipment requiring annual payments of \$50,490. There are no variable payment components of the lease. The liability was measured at a discount rate of 4.9%, which represents an estimate of the LCB's incremental borrowing rate at the date the lease was executed as no rate was stated in the lease. This lease agreement qualifies as an other-than-short-term lease under GASB Statement No. 87, *Leases*, and therefore has been recorded at the present value of the future minimum lease payments at the beginning of the lease term and will be amortized over the term of the lease.

Leased asset activity for the fiscal year ended June 30, 2024 was as follows:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024
<u>Governmental activities</u>				
Leased assets				
Equipment	\$ 188,245	\$ -	\$ -	\$ 188,245
Less accumulated amortization				
Equipment	(70,592)	(47,061)	-	\$ (117,653)
Leased assets, net	\$ 117,653	\$ (47,061)	\$ -	\$ 70,592

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The schedule of future lease payments as of June 30, 2024 is as follows:

Year Ending June 30,	Principal Payments	Interest Payments	Total
2025	\$ 50,490	\$ -	\$ 50,490

The following table illustrates the change in lease liabilities during the year ended June 30, 2024:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
<u>Governmental activities</u>					
Lease liabilities	\$ 98,622	\$ -	\$ (48,132)	\$ 50,490	\$ 50,490

SBITA Liabilities

The LCB entered into three software subscription agreements during the year ended June 30, 2024 that qualified as SBITAs under GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The agreements have been recorded at the present value of the future minimum payments specified in the agreements at the beginning of the agreements' terms. All SBITA liabilities were measured at a discount rate of 6.25%, which represents an estimate of the LCB's incremental borrowing rate the date the agreements were executed, as no rates were stated in the agreements. All SBITA liabilities will be amortized over the terms of the agreements.

SBITA asset activity for the fiscal year ended June 30, 2024 was as follows:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024
<u>Governmental activities</u>				
SBITA assets	\$ -	\$ 1,747,965	\$ -	\$ 1,747,965
Less accumulated amortization	-	(228,040)	-	\$ (228,040)
Leased assets, net	\$ -	\$ 1,519,925	\$ -	\$ 1,519,925

The schedule of future payments for SBITAs as of June 30, 2024 is as follows:

Year Ending June 30,	Principal Payments	Interest Payments	Total
2025	\$ 477,326	\$ 32,422	\$ 509,748
2026	551,513	13,735	565,248
2027	373,199	5,409	378,608
2028	117,887	914	118,801
	\$ 1,519,925	\$ 52,480	\$ 1,572,405

The following table illustrates the change in SBITA liabilities during the year ended June 30, 2024:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
SBITA liabilities	\$ -	\$ 1,747,965	\$ (228,040)	\$ 1,519,925	\$ 477,326

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**NOTE G – LONG-TERM OBLIGATIONS**

During the 2005 Legislative Session, the Legislature passed Senate Bill 101, which authorized the LCB to enter into a financing agreement for the construction of a warehouse connected to the State Printing Office, the resurfacing of the exterior of the State Printing Office and the construction of a parking lot.

In September 2006, the LCB entered into a financing agreement with the Nevada Real Property Corporation (NRPC) to fund a project consisting of the construction of a warehouse addition to the State Printing Office and to resurface the exterior of the existing Printing Office Building (the Project). NRPC is a public not-for-profit corporation of the State, created for the purpose of financing, acquiring, and leasing projects to the State and its agencies. NRPC is empowered to acquire property and enter into agreements with the State and its agencies. The president of the corporation is the Treasurer and other State officials serve as directors.

Concurrently with the execution of the financing agreement, NRPC issued \$5,760,000 State of Nevada Lease Revenue Certificates of Participation. Under the terms of the agreement, the NRPC pays the certificates with base rents collected from the LCB. The LCB's requirement to pay base rents due under the agreement is subject to appropriation and is recorded as a long-term obligation. The certificates are not general obligations of the State and are not backed by the full faith and credit or the taxing power of the State. The certificates are insured under a policy issued by the bond insurer, which guarantees the scheduled payments of principal and interest on the certificates. At any time, the LCB also has the right to pay the amount necessary to defease the debt. The existing State Printing Office Building, the new warehouse building constructed, and the land on which the buildings are located are pledged as collateral.

NRPC has assigned, without recourse, all of its rights, titles and interests, responsibilities and obligations under the lease to the Trustee, Bank of New York. Proceeds from the certificates were deposited into various funds and accounts to be used to pay all related expenditures, including construction costs. Base rents are offset by any investment earnings on the funds held. At the completion of the construction, any unused funds were used to pay base rents. Upon discharge of the indenture, the Trustee shall turn over any surplus in any fund, account or sub-account, and transfer and convey all property assigned, pledged or mortgaged to the LCB.

The Project was completed in January 2008. The LCB has recorded a long-term obligation for the base rent owed that is being accounted for and paid from the Legislative Fund. The building is occupied by divisions of the LCB and the Printing Office. The building's original cost was \$5,374,894 and accumulated depreciation as of June 30, 2024 totaled \$2,217,163. In August 2016, the NRPC refinanced the State of Nevada Lease Revenue Certificates of Participation. The LCB's base rent payments were adjusted to coincide with the refinance. The adjusted rent payments accelerated the reduction of principal while keeping the payment amounts materially the same. The future minimum long-term obligation payments and the net present value of these payments as of June 30, 2024 were as follows:

Year Ending June 30,	Principal Payments	Interest Payments	Total
2025	\$ 402,000	\$ 17,182	\$ 419,182
2026	372,000	8,258	380,258
	<u>\$ 774,000</u>	<u>\$ 25,440</u>	<u>\$ 799,440</u>

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The following table illustrates the change in long-term obligations during the year ended June 30, 2024:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
<u>Governmental activities</u>					
Long-term obligations	\$ 1,167,000	\$ -	\$ (393,000)	\$ 774,000	\$ 402,000

**NOTE H – INTERFUND ACCOUNT BALANCES AND TRANSFERS**

Interfund transfers are used to move revenues from the fund that statute or budget requires to collect them to the funds that statute or budget requires to expend them. During the year ended June 30, 2024, the Legislative Fund transferred \$159,401 to the Printing Office Fund. See further description in Note L.

**NOTE I - FUND BALANCE**

At June 30, 2024, the fund balance of governmental funds consisted of the following items:

	Legislative Fund	Contingency Fund	Total Governmental Funds
<u>Nonspendable:</u>			
Inventory	\$ 770,448	\$ -	\$ 770,448
Deposits and prepayments	1,360,423	-	1,360,423
	<u>2,130,871</u>	<u>-</u>	<u>2,130,871</u>
<u>Committed:</u>			
LCB Capital Improvement Projects	761,913	-	761,913
Nevada Youth Legislature (NRS 219A.130)	19,214	-	19,214
State of Nevada Single Audit Fee - LCB Allocation	418,400	-	418,400
Nevada Silver Haired Legislative Forum (NRS 427A.320)	3,851	-	3,851
Legislative Committee on Health Care (NRS 439B.200)	79,381	-	79,381
uLegislate Educational Program	1,750	-	1,750
AB 489 - 81st (2021) Session - Annual Dues, ITS Projects & Capital Improvement Projects	841,113	-	841,113
AB 485 - 82nd (2023) Session - Annual Dues, ITS Projects & Equipment	2,964,539	-	2,964,539
AB 1 - 34th (2023) Special Session - Capital Improvement Projects	131,901,272	-	131,901,272
State of Nevada General Fund Activities	-	16,340,741	16,340,741
AB 468 - 82nd (2023) Session - State of Nevada ERP System Information Technology System Replacement	-	100,748,511	100,748,511
SB 342 - 82nd (2023) Session - Western Interstate Commission for Higher Education - Veterinary Medicine Program	-	5,500,000	5,500,000
SB 231 - 82nd (2023) Session - Support of Nevada Public Schools	-	8,000,000	8,000,000
AB 480 - 82nd (2023) Session - State Agencies Language Access Plan Implementation	-	354,583	354,583
AB 518 - 82nd (2023) Session - Indigent Defense	-	25,000,000	25,000,000
State of Nevada Highway Fund Activities	-	2,714,295	2,714,295
	<u>136,991,433</u>	<u>1,638,068</u>	<u>1,638,068</u>
	<u>136,991,433</u>	<u>160,296,198</u>	<u>297,287,631</u>
<u>Assigned:</u>			
LCB operations	26,439,598	-	26,439,598
	<u>\$ 165,561,902</u>	<u>\$ 160,296,198</u>	<u>\$ 325,858,100</u>

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**NOTE J - DEFINED BENEFIT PENSION PLAN**

The LCB participates in two pension plans, the Public Employees' Retirement System of the State of Nevada (PERS) and the Legislators' Retirement System of the State of Nevada (LRS). The following sections outline the pension related disclosures for each plan.

The aggregate amount of recognized pension expense (income) for the period associated with the net pension liability for both plans is \$7,986,862; \$8,172,984 from PERS and (\$186,122) from LRS. Other aggregate amounts related to the pension plans are displayed separately in the financial statements.

**1. Public Employees Retirement System of the State of Nevada**

*Plan Description*

PERS administers a cost-sharing, multiple-employer, defined benefit public employees' retirement system. PERS was established by the Nevada Legislature in 1947, effective July 1, 1948. PERS 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 at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering PERS 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 prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering PERS on or after January 1, 2010, there is a 2.5% service time factor, and for regular members entering PERS on or after July 1, 2015, there is a 2.25% factor. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death. Post-retirement increases are provided by authority of NRS 286.575 - .579.

*Vesting*

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

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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. Members become fully vested as to benefits upon completion of five 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. Contributions are shared equally by employer and employee. Employees can take a reduced salary and have contributions made by the employer (EPC) or can make contributions by a payroll deduction matched by the employer.

PERS' basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund PERS on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450. The actuary 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 fiscal year ended June 30, 2024, the Statutory Employer/employee matching rate was 17.50% and the Employer-pay contribution (EPC) rate was 33.50%. For the fiscal year ended June 30, 2023, the Statutory Employer/employee matching rate was 15.50% and the Employer-pay contribution (EPC) rate was 29.75%. The LCB's contributions were \$5,320,052 and \$3,948,370 for the years ended June 30, 2024 and 2023, respectively.

*PERS Investment Policy*

PERS' policies which determine the investment portfolio target asset allocation are established by the PERS 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 PERS Board adopted policy target asset allocation as of June 30, 2023:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Geometric Expected Real Rate of Return</u>
U.S. stocks	42.0%	5.50%
International stocks	18.0%	5.50%
U.S. bonds	28.0%	0.75%
Private Markets	12.0%	6.65%



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

*Net Pension Liability*

At June 30, 2024, the LCB reported a liability 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 LCB's proportion of the net pension liability was based on the LCB's share of contributions in the PERS pension plan relative to the total contributions of all participating PERS employers and members. At June 30, 2023, the LCB's proportion was 0.34120%, which represents an increase of 0.02866% from the proportion measured as of June 30, 2022.

*Pension Liability Discount Rate Sensitivity*

The following presents the net pension liability of the LCB as of June 30, 2024, calculated using the discount rate of 7.25%, as well as what the LCB's 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 Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
LCB's proportionate share of net pension liability	\$ 96,915,746	\$ 62,279,307	\$ 33,694,076

*Pension Plan Fiduciary Net Position*

Detailed information about PER's fiduciary net position is available in the PERS Annual Comprehensive Financial Report (ACFR), available on the PERS website.

*Actuarial Assumptions*

The LCB'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%
Payroll Growth	3.50%, including inflation
Investment Rate of Return	7.25%, including inflation
Productivity Pay Increase	0.50%
Projected Salary Increases	4.20% to 9.10%, depending on service; Rates include inflation and productivity increases
Consumer Price Index	2.75%
Other Assumptions	Same as those used in the June 30, 2023 funding actuarial valuation

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Mortality rates for healthy were based on the Headcount-Weighted RP-2014 Healthy Annuitant Table projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries. For ages less than 50, mortality rates are based on the Headcount-Weighted RP-2014 Employee Mortality Tables. Those mortality rates are adjusted by the ratio of the mortality rate for healthy annuitants at age 50 to the mortality rate for employees at age 50. The mortality rates are then projected to 2020 with Scale MP-2016. Mortality rates for disabled were based on the Headcount-Weighted RP-2014 Disabled Retiree Table, set forward four years. Mortality rates for pre-retirement were based on the Headcount-Weighted RP-2014 Employee Table, projected to 2020 with Scale MP-2016. The additional projection of 6 years is a provision made for future mortality improvement.

Actuarial assumptions used in the June 30, 2023 valuation were based on the results of the experience study for the period 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 that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2023, was projected to be available to make all projected future benefit payments of current active and inactive employees. 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.

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

For the year ended June 30, 2024, the LCB recognized pension expense of \$8,172,984. At June 30, 2024, the LCB reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,117,727	\$ 582,936
Changes in the LCB's proportionate share	6,118,095	3,989,602
Changes of assumptions and other inputs	5,836,756	-
LCB contributions subsequent to the measurement date	5,320,052	-
	\$ 25,392,630	\$ 4,572,538

Deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date in the amount of \$5,320,052 will be recognized as a reduction of the net pension liability in the year ending June 30, 2025.

The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) is 5.70 years.

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

Year ended June 30:	
2025	\$ 2,787,331
2026	2,139,762
2027	8,697,740
2028	1,157,364
2029	717,843

*Additional Information*

The PERS Annual Comprehensive Financial Report is available on the PERS website at [www.nvpers.org](http://www.nvpers.org) under Quick Links – Publications.

**2. Legislators’ Retirement System of the State of Nevada**

*Plan Description*

The LCB also contributes to the Legislators’ Retirement System of the State of Nevada (LRS), a single-employer defined benefit pension plan established in 1967 by the Legislature to provide a reasonable base income to Legislators at retirement. LRS was established by and functions in accordance with laws enacted by the Legislature. It is administered by the PERS Board.

*Membership*

At June 30, 2023, the LRS membership consisted of:

Active members	24
Inactive vested members	10
Inactive non-vested members	40
Retired members	55
Survivors and beneficiaries	15
Total	<u>144</u>

*Benefits Provided*

Benefits, as required by the NRS or statute, are determined by the number of years of accredited service at time of retirement. Service years include the entire election term whether or not the Legislature is in session. Benefit payments to which participants may be entitled under the plan include pension benefits and survivor benefits. The monthly benefit amount is \$25 for each year of service up to 30 years.

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*Vesting*

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

*Contributions*

The employee contribution of 15% of compensation is paid by the employee only when the Legislature is in session, as required by statute. The Legislature holds sessions every two years. Prior to 1985 the employee contributions were matched by the employer. The 1985 Legislators’ Retirement Act includes Nevada Revised Statute (NRS) 218C.390(2) which states “the Director of the Legislative Counsel LCB shall pay the Board from the Legislative Fund an amount as the contribution of the State of Nevada as employer which is actuarially determined to be sufficient to provide LRS with enough money to pay all benefits for which LRS will be liable.” The total actuarially determined employer contribution was \$181,158 for the year ended June 30, 2023. No contribution was made in the year ended June 30, 2024.

*LRS Investment Policy*

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Arithmetic Expected Real Rate of Return</u>
U.S. stocks	50.5%	6.65%
International stocks	21.5%	7.18%
U.S. bonds	28.0%	0.91%

As of June 30, 2023, LRS’s long-term inflation assumption was 2.50%.

*Net Pension Liability (Asset)*

The June 30, 2024 net pension liability (asset) was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The LCB’s net pension liability (asset) was based on the LCB’s contributions in LRS pension plan.

*Pension Liability Discount Rate Sensitivity*

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The following presents the net pension liability (asset) of the LCB as of June 30, 2023, calculated using the discount rate of 7.25%, as well as what the LCB's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current discount rate:

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Net pension liability (asset)	\$ 126,840	\$ (310,798)	\$ (683,617)

*Pension Plan Fiduciary Net Position*

Detailed information about LRS's fiduciary net position is available in the separately issued LRS Annual Financial Report available from the Public Employees' Retirement System of the State of Nevada (PERS).

*Actuarial Assumptions*

The LCB's net pension liability (asset) was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation Rate	2.50%
Payroll Growth	None assumed
Investment Rate of Return	7.25%
Productivity Pay Increase	None assumed
Projected Salary Increases	2.50%
Consumer Price Index	2.50%
Other Assumptions	Same as those used in the June 30, 2023 funding actuarial valuation

Mortality rates were based on the RP-2014 Mortality Tables, projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period 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 that contributions from the plan members will be made at the contractually required rates, actuarially determined. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position at June 30, 2023, was projected to be available to make all projected future benefit payments of 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.

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

For the year ended June 30, 2024, the LCB recognized pension expense (income) of (\$186,122). At June 30, 2024, the LCB reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Net difference between projected and actual earnings on pension plan investments	-	1,480
LCB contributions subsequent to the measurement date	-	-
	\$ -	\$ 1,480

The average of the expected remaining service lives of all employees provided with pensions through LRS (active and inactive employees) is .90 years.

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

Year ended June 30	
2025	\$ (39,891)
2026	(49,068)
2027	133,838
2028	(46,359)

*Changes in the Net Pension Liability (LRS)*

The LCB's net pension liability (asset) for LRS as of June 30, 2024 of (\$310,798) was measured as of June 30, 2023, and was determined by an actuarial valuation as of that date.

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The following table presents the changes in the LRS net pension liability during the year ended June 30, 2023 and as reported by the LCB at June 30, 2024:

Total pension liability at June 30, 2022 (a)	<u>\$ 5,070,684</u>
Service cost	29,633
Interest	354,003
Change of benefit terms	-
Difference between expected and actual experience	(151,074)
Change of assumptions	1,421
Benefit payments, including refunds	<u>(435,026)</u>
Net change in total pension liability	<u>(201,043)</u>
Total pension liability at June 30, 2023 (a)	<u><u>\$ 4,869,641</u></u>
Plan fiduciary net position at June 30, 2022 (b)	<u>\$ 4,822,874</u>
Contributions - employer	181,158
Contributions - employee	37,816
Net investment income	573,617
Benefit payments, including refunds	(435,026)
Administration expenses	N/A
Other	-
Net change in plan fiduciary net position	<u>357,565</u>
Plan fiduciary net position at June 30, 2023 (b)	<u><u>\$ 5,180,439</u></u>
Net pension liability (asset) at June 30, 2023 (a-b)	<u><u>\$ (310,798)</u></u>
Plan fiduciary net position as a percentage of total pension liability	106.38%
Covered-employee payroll	N/A
Net pension liability as a percentage of covered employee payroll	N/A

*Additional Information*

Additional information about the LRS is available in the separately issued LRS Annual Financial Report available from the Public Employees' Retirement System of the State of Nevada (PERS).

**NOTE K – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

Plan Descriptions:

The employees of the LCB participate in a cost-sharing, multiple-employer, defined benefit postemployment plan administered by the Board of the Public Employees' Benefits Program of the State of Nevada (PEBP). NRS 287.023 provides officers and employees eligible to be covered by any group insurance, plan of benefits or medical and hospital service established pursuant to NRS 287 the option upon retirement to cancel or continue any such coverage. The cost to administer the program is financed through the contributions and investment earnings of the plan. The PEBP Board is granted the authority

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to establish and amend the benefit terms of the program. (NRS 287.043) PEBP issues a publicly available financial report that includes financial statements and the required supplementary information for the plan. That report may be obtained from Public Employees' Benefits Program, 901 South Stewart Street, Suite 1001, Carson City, NV 89701.

Benefits Provided:

Employees of the LCB, who meet the eligibility requirements for retirement and, at the time of retirement, are participants in the program, have the option upon retirement to continue group insurance pursuant to Nevada Administrative Code 287.530. NRS 287.0436 establishes a subsidy to pay an amount toward the cost of the premium or contribution for persons retired from LCB service. Retirees assume any portion of the premium not covered by the State. The current subsidy rates can be found at [pebp.state.nv.us](http://pebp.state.nv.us). Benefits include health, prescription drug, dental, and life insurance coverage. As required by statute, benefits are determined by the number of years of service at the time of retirement and the individual's initial date of hire. Employees hired after December 31, 2011 are not eligible to receive subsidies to reduce premiums. The following individuals and their dependents are eligible to receive subsidies.

Any PEBP covered retiree with LCB service whose last employer was the State and who:

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

Contributions:

The State allocates funds for payment of current and future post-employment benefits other than pensions as a percentage of budgeted payrolls to all State agencies. The required contribution rate for employers, as a percentage of covered payroll, for the fiscal year ended June 30, 2023 was 2.18%. For the year ended June 30, 2024, these payments totaled \$1,036,881 for the Legislative Fund and \$40,236 for the Printing Office Fund. Retirees are included in the insured pool with active employees. Therefore, the LCB also paid an implicit subsidy to benefit the plan that totaled \$226,904 for the Legislative Fund and \$8,805 for the Printing Office Fund.

OPEB liabilities, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB:

The LCB's 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 actuarial valuation as of June 30, 2023. The LCB's proportion of the net OPEB liability was based on the LCB's share of contributions to PEBP relative to the total contributions of all participating employers. At June 30, 2023, the LCB's proportion was 1.3301%, which represents an increase of 0.0418% from the proportion measured as of June 30, 2022.



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For the year ended June 30, 2024, the LCB recognized OPEB expense of \$1,430,554. At June 30, 2024, the LCB 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	\$ -	\$ 380,418
Net difference between projected and actual earnings on pension plan investments	-	5,632
Changes of assumptions and other inputs	272,555	1,216,882
LCB contributions subsequent to the measurement date and implicit subsidy paid	1,312,825	-
	<u>\$ 1,585,380</u>	<u>\$ 1,602,932</u>

Deferred outflows of resources related to OPEB resulting from LCB contributions subsequent to the measurement date and the implicit subsidy paid in the amount of \$1,312,825 will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	
2025	\$ (555,764)
2026	(645,075)
2027	(57,501)
2028	(56,752)
2029	(15,285)

Actuarial Methods and Assumptions:

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:

Actuarial Cost Method	Entry Age Normal Level % of Pay
Asset Valuation Method	Market Value of Assets
Inflation Rate	2.50%
Salary Increases	0.50% productivity pay increase, 2.78% average promotional and merit salary increase
Investment Rate of Return	2.50%
Healthcare Cost Trend Rates	4.80% initial, 4.50% ultimate

Mortality rates for healthy individuals were based on Pub-2010 Public Retirement Plans General Mortality Table weighted by Headcount, projected by MP-2020. Mortality rates for disabled individuals were based on Pub-2010 Public Retirement Plans General Disabled Mortality Table weighted by Headcount, Projected by MP-2020.

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The actuarial assumptions used in the June 30, 2023 valuation were based upon certain demographic and other actuarial assumptions as recommended by the actuary, in conjunction with the State and guidance from the Governmental Accounting Standards Board statement.

Discount Rate:

The discount rate basis under Statement No. 75 of the Governmental Accounting Standards Board is required to be consistent with a 20-Year Municipal Bond Index with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). The Bond Buyer General Obligation 20-Bond Municipal Bond Index Rate published closest to, but not later than, the measurement rate of June 30, 2023 is used for the determination of the discount rate. The assets in the trust as of June 30, 2023 are less than the expected benefit payments in the first year; therefore, the crossover period is assumed to be in the first year, which provides additional support for continuing the discount rate at the 20-Year Municipal Bond Index rate. The discount rate used to measure the total OPEB liability at June 30, 2023 was 3.65%, which represents an increase of 0.11% from the previous year's discount rate of 3.54%.

Sensitivity of the OPEB liabilities to changes in the discount rate:

The following presents the net OPEB liability of the plan, as well as the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current discount rate:

1% Decrease in Discount Rate (2.65%)	Discount Rate (3.65%)	1% Increase in Discount Rate (4.65%)
\$ 21,270,612	\$ 19,392,472	\$ 17,763,467

Sensitivity of the OPEB liabilities to changes in the healthcare cost trend rates:

The following presents the net OPEB liability of the plan, as well as what the plan's 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:

1% Decrease in Healthcare Costs Trend Rate	Current Healthcare Costs Trend Rate	1% Increase in Healthcare Costs Trend Rate
\$ 18,389,589	\$ 19,392,472	\$ 20,543,288

OPEB plan fiduciary net position:

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued audited annual financial statements of the State of Nevada State Retirees' Health and Welfare Benefits Fund, Public Employees' Benefits Program financial report available on the PEBP website.

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**NOTE L – INTERFUND ACTIVITY**

The Printing Office Fund is an enterprise fund, primarily supported by fees for its printing services to other State agencies and other divisions of the LCB. For the year ended June 30, 2024, other divisions of the LCB purchased \$1,148,758 in printing services from the Printing Office Fund.

As described in Note G, the building acquired under a financing agreement is shared between the Printing Office Fund and other divisions of the LCB. Based on square footage used, 30.89% of the total base rent payment totaling \$129,401 was allocated and charged to the Printing Office Fund. The Printing Office Fund was also charged \$30,000 for administrative services. The Legislative Fund reimbursed the Printing Office Fund the total amount of \$159,401.

**NOTE M – RISK MANAGEMENT**

The LCB, like all governmental entities, is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The LCB participates in the insurance program of the State. Information relating to the State insurance program is available in the State's ACFR for the year ended June 30, 2023. The State's ACFR may be obtained by writing the State of Nevada, Office of the State Controller, 101 N. Carson Street, Suite 5, Carson City, NV 89701.



## **REQUIRED SUPPLEMENTARY INFORMATION**



**LEGISLATIVE COUNSEL BUREAU  
REQUIRED SUPPLEMENTARY INFORMATION  
LEGISLATIVE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2024**

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Publication and gift shop sales	\$ 130,000	\$ 130,000	\$ 85,571	\$ (44,429)
Other income and reimbursements	139,614	139,614	843,500	703,886
Interest income	-	-	2,320,246	2,320,246
Intergovernmental				
State of Nevada General and Highway Funds appropriations	171,107,230	171,107,230	171,113,895	6,665
Reversions and reimbursements from State of Nevada funds	-	-	2,029,133	2,029,133
Amounts available for appropriation	<u>171,376,844</u>	<u>171,376,844</u>	<u>176,392,345</u>	<u>5,015,501</u>
<b>Expenditures</b>				
Current				
Legislative Commission	246,900	246,900	133,985	112,915
Legislative Session			5,011,822	(5,011,822)
Administrative Division	35,718,408	35,718,408	25,713,291	10,005,117
Audit Division	7,368,296	7,368,296	6,437,325	930,971
Legal Division	12,325,629	12,325,629	8,853,707	3,471,922
Fiscal Analysis Division	5,394,038	5,394,038	5,139,685	254,353
Research Division	7,335,632	7,335,632	5,943,090	1,392,542
Interim Nevada Legislature	2,142,774	2,142,774	1,832,959	309,815
Special Projects and Studies	212,500	212,500	1,845,360	(1,632,860)
Publication cost of sales, distributions and disposals	48,311	48,311	1,711	46,600
Capital outlay	100,000,000	100,000,000	96,181,727	3,818,273
Debt service				
Long-term obligation principal and lease payments	393,000	393,000	669,172	(276,172)
Long-term obligation and lease interest payments	25,188	25,188	50,056	(24,868)
Intergovernmental				
Reversions to State of Nevada General Fund	5,000	5,000	5,000	-
Total expenditures	<u>171,215,676</u>	<u>171,215,676</u>	<u>157,818,890</u>	<u>13,396,786</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>161,168</u>	<u>161,168</u>	<u>18,573,455</u>	<u>18,412,287</u>
<b>Other financing sources (uses)</b>				
SBITA liabilities incurred	-	-	1,747,965	1,747,965
Transfers out	<u>(161,168)</u>	<u>(161,168)</u>	<u>(159,401)</u>	<u>1,767</u>
Total other financing sources (uses)	<u>(161,168)</u>	<u>(161,168)</u>	<u>1,588,564</u>	<u>1,749,732</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,162,019</u>	<u>\$ 20,162,019</u>

**LEGISLATIVE COUNSEL BUREAU  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2024**

**SCHEDULE OF SHARE OF NET PENSION LIABILITY  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA  
Last Ten Fiscal Years \***

	2024	2023	2022	2021	2020
LCB's portion of net the pension liability	0.34120%	0.31254%	0.34488%	0.31335%	0.33851%
LCB's proportionate share of the net pension liability	\$ 62,279,307	\$ 56,429,251	\$ 31,450,915	\$ 43,643,928	\$ 46,158,530
LCB's covered payroll	\$ 25,876,616	\$ 22,594,969	\$ 24,070,599	\$ 21,893,233	\$ 22,790,863
LCB's proportional share of the net pension liability as a percentage of covered payroll	240.68%	249.74%	130.66%	199.35%	202.53%
Plan fiduciary net position as a percentage of the total pension liability	76.20%	75.10%	86.50%	77.04%	76.46%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
LCB's portion of net the pension liability	0.30746%	0.34059%	0.30868%	0.34274%	0.31202%
LCB's proportionate share of the net pension liability	\$ 41,930,365	\$ 45,298,423	\$ 41,539,530	\$ 39,276,513	\$ 32,518,180
LCB's covered payroll	\$ 19,977,487	\$ 21,397,915	\$ 18,513,869	\$ 20,208,594	\$ 27,678,512
LCB's proportional share of the net pension liability as a percentage of covered payroll	209.89%	211.70%	224.37%	194.36%	117.49%
Plan fiduciary net position as a percentage of the total pension liability	75.24%	74.42%	72.23%	75.13%	76.30%

\* The amounts presented in this schedule for each fiscal year were determined as of the year-end that occurred one year prior.

**SCHEDULE OF CONTRIBUTIONS  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA  
Last Ten Fiscal Years**

	2024	2023	2022	2021	2020
Statutorily required contribution	\$ 5,320,052	\$ 3,948,370	\$ 3,439,278	\$ 3,610,147	\$ 3,265,569
Contributions in relation to the statutorily required contribution	<u>5,320,052</u>	<u>3,948,370</u>	<u>3,439,278</u>	<u>3,610,147</u>	<u>3,265,569</u>
Contribution (deficiency) excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered payroll	\$ 31,190,673	\$ 25,876,616	\$ 22,594,969	\$ 24,070,599	\$ 21,893,233
Contributions as a percentage of covered payroll	17.06%	15.26%	15.22%	15.00%	14.92%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$ 3,258,677	\$ 2,852,619	\$ 3,057,142	\$ 2,617,155	\$ 2,645,029
Contributions in relation to the statutorily required contribution	<u>3,258,677</u>	<u>2,852,619</u>	<u>3,057,142</u>	<u>2,617,155</u>	<u>2,645,029</u>
Contribution (deficiency) excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered payroll	\$ 22,790,863	\$ 19,977,487	\$ 21,397,915	\$ 18,513,169	\$ 20,208,594
Contributions as a percentage of covered payroll	14.30%	14.28%	14.29%	14.14%	13.09%



**LEGISLATIVE COUNSEL BUREAU  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2024**

**SCHEDULE OF NET PENSION LIABILITY  
LEGISLATORS' RETIREMENT SYSTEM OF NEVADA  
Last Ten Fiscal Years \***

	2024	2023	2022	2021	2020
Total pension liability	\$ 4,869,641	\$ 5,070,684	\$ 4,951,072	\$ 4,841,509	\$ 4,829,909
Plan fiduciary net position	5,180,439	4,822,874	5,630,431	4,694,337	4,703,170
Net pension liability (asset)	<u>\$ (310,798)</u>	<u>\$ 247,810</u>	<u>\$ (679,359)</u>	<u>\$ 147,172</u>	<u>\$ 126,739</u>
Covered employee payroll	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	106.38%	95.10%	113.72%	96.96%	97.38%
	2019	2018	2017	2016	2015
Total pension liability	\$ 5,165,430	\$ 5,175,344	\$ 5,186,911	\$ 5,389,639	\$ 5,531,424
Plan fiduciary net position	4,707,776	4,644,651	4,474,063	4,734,814	4,873,000
Net pension liability	<u>\$ 457,654</u>	<u>\$ 530,693</u>	<u>\$ 712,848</u>	<u>\$ 654,825</u>	<u>\$ 658,424</u>
Covered employee payroll	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	91.14%	89.75%	86.26%	87.85%	88.10%

\* The amounts presented in this schedule for each fiscal year were determined as of the year-end that occurred one year prior.

**SCHEDULE OF CONTRIBUTIONS  
LEGISLATORS' RETIREMENT SYSTEM OF NEVADA  
Last Ten Fiscal Years**

	2024	2023	2022	2021	2020
Statutorily required contribution	\$ -	\$ 181,158	\$ -	\$ 165,692	\$ -
Contributions in relation to the statutorily required contribution	-	181,158	-	165,692	-
Contribution (deficiency) excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A
	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 195,870	\$ -	\$ 209,668	\$ -	\$ 311,710
Contributions in relation to the statutorily required contribution	195,870	-	209,668	-	311,710
Contribution (deficiency) excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

**LEGISLATIVE COUNSEL BUREAU  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2024**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET)  
LEGISLATORS' RETIREMENT SYSTEM OF NEVADA  
Last Ten Fiscal Years \***

	2024	2023	2022	2021	2020
Total pension liability - beginning	\$ 5,070,684	\$ 4,951,072	\$ 4,841,509	\$ 4,829,909	\$ 5,165,430
Service cost	29,633	31,865	31,699	33,601	28,898
Interest	354,003	346,553	349,718	348,753	371,943
Change of benefit terms	-	-	-	-	-
Difference between expected and actual experience	(151,074)	146,986	(119,503)	56,188	(266,191)
Change of assumptions	1,421	-	268,252	-	-
Benefit payments, including refunds	(435,026)	(405,792)	(420,603)	(426,942)	(470,171)
Net change in total pension liability	(201,043)	119,612	109,563	11,600	(335,521)
Total pension liability - ending	<u>\$ 4,869,641</u>	<u>\$ 5,070,684</u>	<u>\$ 4,951,072</u>	<u>\$ 4,841,509</u>	<u>\$ 4,829,909</u>
Plan fiduciary net position - beginning	\$ 4,822,874	\$ 5,630,431	\$ 4,694,337	\$ 4,703,170	\$ 4,707,776
Contributions - employer	181,158	82,846	82,846	97,935	97,935
Contributions - employee	37,816	19,182	19,182	24,724	24,724
Net investment income	573,617	(503,793)	1,254,669	295,450	342,906
Benefit payments, including refunds	(435,026)	(405,792)	(420,603)	(426,942)	(470,171)
Administration expenses	N/A	N/A	N/A	N/A	N/A
Other	-	-	-	-	-
Net change in plan fiduciary net position	357,565	(807,557)	936,094	(8,833)	(4,606)
Plan fiduciary net position - ending	<u>\$ 5,180,439</u>	<u>\$ 4,822,874</u>	<u>\$ 5,630,431</u>	<u>\$ 4,694,337</u>	<u>\$ 4,703,170</u>
Net pension liability (asset) - ending	<u>\$ (310,798)</u>	<u>\$ 247,810</u>	<u>\$ (679,359)</u>	<u>\$ 147,172</u>	<u>\$ 126,739</u>
Plan fiduciary net position as a percentage of total pension liability	106.38%	95.11%	113.72%	96.96%	97.38%
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered employee payroll	N/A	N/A	N/A	N/A	N/A

\* The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

**LEGISLATIVE COUNSEL BUREAU  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2024**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET)  
LEGISLATORS' RETIREMENT SYSTEM OF NEVADA  
Last Ten Fiscal Years \* (continued)**

	2019	2018	2017	2016	2015
Total pension liability - beginning	\$ 5,175,344	\$ 5,186,911	\$ 5,389,639	\$ 5,531,424	\$ 5,559,947
Service cost	29,501	29,102	30,869	38,528	37,225
Interest	373,117	398,019	413,540	425,704	428,023
Change of benefit terms	-	124,802	-	-	-
Difference between expected and actual experience	47,379	(81,939)	(144,631)	(108,713)	-
Change of assumptions	-	-	-	-	-
Benefit payments, including refunds	(459,911)	(481,551)	(502,506)	(497,304)	(493,771)
Net change in total pension liability	(9,914)	(11,567)	(202,728)	(141,785)	(28,523)
Total pension liability - ending	<u>\$ 5,165,430</u>	<u>\$ 5,175,344</u>	<u>\$ 5,186,911</u>	<u>\$ 5,389,639</u>	<u>\$ 5,531,424</u>
Plan fiduciary net position - beginning	\$ 4,644,651	\$ 4,474,063	\$ 4,734,814	\$ 4,873,000	\$ 4,322,723
Contributions - employer	104,834	104,834	155,855	155,855	213,351
Contributions - employee	20,286	20,286	22,854	22,854	26,771
Net investment income	397,916	527,019	63,046	180,409	803,926
Benefit payments, including refunds	(459,911)	(481,551)	(502,506)	(497,304)	(493,771)
Administration expenses	N/A	N/A	N/A	N/A	N/A
Other	-	-	-	-	-
Net change in plan fiduciary net position	63,125	170,588	(260,751)	(138,186)	550,277
Plan fiduciary net position - ending	<u>\$ 4,707,776</u>	<u>\$ 4,644,651</u>	<u>\$ 4,474,063</u>	<u>\$ 4,734,814</u>	<u>\$ 4,873,000</u>
Net pension liability (asset) - ending	<u>\$ 457,654</u>	<u>\$ 530,693</u>	<u>\$ 712,848</u>	<u>\$ 654,825</u>	<u>\$ 658,424</u>
Plan fiduciary net position as a percentage of total pension liability	91.14%	89.75%	86.26%	87.85%	88.10%
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered employee payroll	N/A	N/A	N/A	N/A	N/A

\* The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

**LEGISLATIVE COUNSEL BUREAU  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2024**

**SCHEDULE OF THE LCB'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
Last Ten Fiscal Years \***

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
LCB's proportion of the net OPEB liability	1.33%	1.29%	1.17%	1.21%
LCB's proportionate share of the net OPEB liability	\$ 19,392,472	\$ 18,579,962	\$ 18,075,925	\$ 18,218,896
LCB's covered payroll	\$ 24,364,913	\$ 22,656,984	\$ 21,697,489	\$ 22,525,910
LCB's proportionate share of the net OPEB liability as a percentage of its covered payroll	79.59%	82.01%	83.31%	80.88%
Plan fiduciary net position as a percentage of the total OPEB liability	-2.14%	-1.41%	-0.65%	-0.38%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	
LCB's proportion of the net OPEB liability	1.22%	1.23%	1.26%	
LCB's proportionate share of the net OPEB liability	\$ 17,006,258	\$ 16,312,539	\$ 16,441,135	
LCB's covered payroll	\$ 21,337,488	\$ 21,020,386	\$ 20,030,390	
LCB's proportionate share of the net OPEB liability as a percentage of its covered payroll	79.70%	77.60%	82.08%	
Plan fiduciary net position as a percentage of the total OPEB liability	0.02%	0.12%	0.11%	

\* GASB Statement No. 75 requires ten years of information to be presented in this table. However, until ten years of date is available, the LCB will present information only for those years for which information is available. The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

**LEGISLATIVE COUNSEL BUREAU  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2024**

**SCHEDULE OF LCB OPEB CONTRIBUTIONS  
Last Ten Fiscal Years \***

	2024	2023	2022	2021	2020	2019	2018
Contractually required contribution	\$ 1,077,117	\$ 547,179	\$ 495,891	\$ 510,140	\$ 531,670	\$ 499,632	\$ 488,622
Contributions in relation to the contractually required contribution	1,077,117	547,179	495,891	510,140	531,670	499,632	488,650
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (28)
LCB's covered payroll	\$ 34,145,545	\$ 24,364,913	\$ 22,656,984	\$ 21,697,489	\$ 22,525,910	\$ 21,337,488	\$ 21,020,386
Contributions as a percentage of covered payroll	3.15%	2.25%	2.19%	2.35%	2.36%	2.34%	2.32%

**Notes to Schedule of LCB OPEB Contributions - Changes of Assumptions:**

**The change in the OPEB liability from June 30, 2022 to June 30, 2023 from changes in assumptions was primarily due to:**

- The discount rate increased from 3.54% to 3.65%. This change lowered the TOL.

**The change in the OPEB liability from June 30, 2021 to June 30, 2022 from changes in assumptions was primarily due to:**

- Dates of hire from the PERS June 30, 2022 pension valuation were used determine each employee's total state service and respective benefit tier. This change increased the total OPEB liability (TOL).
- The discount rate increased from 2.16% to 3.54%. This change lowered the TOL.
- Per-capita health claims costs and the future trend on such costs were updated based on more recent data. These changes lowered the TOL.
- Employees hired on or after January 1, 2012 are now included in the GASB 75 valuation and were assumed to have a 35% participation rate at retirement. This change increased the TOL.
- Retirement, turnover, disability, mortality, inflation, and salary increase assumptions were updated based on the 2020 Nevada PERS Actuarial Experience Study. These updates lowered the TOL.
- The spouse age-difference assumption for future male retirees was updated from the spouse being 4 years younger to the spouse being 3 years younger. This change lowered the TOL.

**The change in the OPEB liability from June 30, 2020 to June 30, 2021 from changes in assumptions was primarily due to:**

- The discount rate decreased from 2.21% to 2.16%.
- The Mortality Rates for healthy individuals were calculated using the Pub-2010 Public Retirement Plans General Mortality Table weighted by Headcount, projected by MP-2020. The previous valuation used the Pub-2010 Public Retirement Plans General Mortality Table weighted by Headcount, projected by MP-2019.
- The Mortality Rates for disabled individuals were calculated using the Pub-2010 Public Retirement Plans General Disabled Mortality Table weighted by Headcount, projected by MP-2020. The previous valuation used the Pub-2010 Public Retirement Plans General Disabled Mortality Table weighted by Headcount, projected by MP-2019.

**The change in the OPEB liability from June 30, 2019 to June 30, 2020 from changes in assumptions was primarily due to:**

- The discount rate decreased from 3.51% to 2.21%.
- The initial health care trend rate decreased from 6.5% to 6.25%.
- The Mortality Rates for healthy individuals were calculated using the Pub-2010 Public Retirement Plans General Mortality Table weighted by Headcount, projected by MP-2019. The previous valuation used the Headcount-weighted RP-2014 Employee table projected to 2020 with Scale MP-2016 for Pre-Retirement and the Headcount-weighted RP-2014 Healthy Annuitant table projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries for Post-Retirement.
- The Mortality Rates for disabled individuals were calculated using the Pub-2010 Public Retirement Plans General Disabled Mortality Table weighted by Headcount, projected by MP-2019. The previous valuation used the Headcount-weighted RP-2014 Disabled Retiree table, set forward four years.

**The change in the OPEB liability from June 30, 2018 to June 30, 2019 from changes in assumptions was primarily due to:**

- The discount rate decreased from 3.87% to 3.51%.
- The Mortality Rates for healthy individuals were calculated using the Headcount-weighted RP-2014 Employee table projected to 2020 with Scale MP-2016 for Pre-Retirement and the Headcount-weighted RP-2014 Healthy Annuitant table projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries for Post-Retirement. The previous valuation use the RP-2000 Combined Healthy Mortality projected to 2014 with Scale AA, set back one year for females.
- The Mortality Rates for disabled individuals were calculated using the Headcount-weighted RP-2014 Disabled Retiree table, set forward four years. The previous valuation used the RP-2000 Disabled Retiree Mortality projected to 2014 with Scale AA, set forward three years.

**The change in the OPEB liability from June 30, 2017 to June 30, 2018 from changes in assumptions was primarily due to:**

- The discount rate increased from 3.58% to 3.87%.

\* GASB Statement No. 75 requires ten years of information to be presented in this table. However, until ten years of date is available, the LCB will present information only for those years for which information is available.

**LEGISLATIVE COUNSEL BUREAU**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2024**

**NOTE A - GAAP VS BUDGET COMPARISON**

The Legislative Fund prepares its budget on a basis of accounting that differs from GAAP. The major difference between the budgetary basis of accounting and GAAP is that in the former, encumbrances are treated as expenditures in the year of incurrence of the commitment to purchase. For GAAP purposes, these amounts are considered expenditures in the year that the goods or services are received. No adjustments were required to convert from the GAAP basis of accounting to the budgetary basis of accounting at June 30, 2024.

The Contingency Fund and the State Printing Fund do not prepare budgets.

**NOTE B - NET PENSION LIABILITY – PUBLIC EMPLOYEES RETIREMENT SYSTEM OF THE STATE OF NEVADA (PERS) AND LEGISLATORS’ RETIREMENT SYSTEM OF THE STATE OF NEVADA (LRS)**

There have been no changes in benefit terms, actuarial assumptions or cost methods for PERS and LRS since the last valuation.

## **COMPLIANCE SECTION**





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 Legislative Commission  
Legislative Counsel Bureau  
Carson City, Nevada*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Legislative Counsel Bureau (LCB), an agency of State of Nevada (the State) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise LCB's basic financial statements, and have issued our report thereon dated October 31, 2024.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered LCB'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 LCB's internal control. Accordingly, we do not express an opinion on the effectiveness of LCB'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 have not been identified.

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

As part of obtaining reasonable assurance about whether LCB'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 entity'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.

A handwritten signature in black ink that reads "Crowe LLP". The letters are cursive and slightly slanted to the right.

Crowe LLP

Sacramento, California  
October 31, 2024