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January 24, 2025

Members of the Nevada State Legislature
Legislative Building
Carson City, Nevada

Biannual Status Report on Financial Information of Certain State Boards

Nevada Revised Statutes (NRS) 218G.400 requires certain boards to be audited annually or biennially by contract auditors. The audit report must be filed by the board on or before December 1 of each year in which an audit is conducted. Statutes also require boards with revenue less than \$200,000 for any fiscal year to complete a self-reported balance sheet and submit it to the Legislative Auditor and the Chief of the Budget Division on or before December 1 following the end of that fiscal year.

The Audit Division reviews the reported financial information for unusual or unique financial circumstances or conditions we consider significant and reportable to the Legislature. Our review is limited to the financial information provided by the boards and does not constitute an audit. While the boards' financial information is due on December 1, the Audit Division only reports boards as received untimely if they are not received as of the date of this letter.

Financial Reports Not Filed

The following boards did not submit the required financial reports due December 1, 2024:

- Board of Examiners for Alcohol, Drug and Gambling Counselors (Audited Annual Report)

The board submitted a balance sheet, not an audit as required per NRS 218G.400(1)(b), for revenue exceeding \$200,000 or more during the fiscal year. During fiscal year 2024, the board's revenue amounted to \$210,615. The board indicated their previous accountant no longer conducted audits; and when searching for a new accountant to complete their fiscal year 2024 audit, they found auditing costs had significantly increased. The board expressed that completing an audit was a financial burden, so they submitted a balance sheet instead.

- Board of Massage Therapy (Audited Annual Report)

The board indicated their financial report was delayed as they are in the process of contracting with a new certified public accountant to perform the annual audit. The contract was approved by the Governor's Finance Office in December 2024. Hence, the fiscal year 2024 audit is currently in progress with an estimated completion date of February 2025.

Financial Issues Noted

The following boards submitted the required financial reports due December 1, 2024, but still had items pending as of the date of this letter.

- Nevada Board of Homeopathic Medical Examiners (Annual Balance Sheet)

The board could not provide an accurate software balance sheet to support financial information reported or an explanation for adjustments made to the prior year fund balance. The board hired a bookkeeper in late 2024 to prepare the board's financial information, who was unable to explain various discrepancies noted in our review but is still working on clarifying these variances. We identified a \$15,000 cash withdrawal, which board records indicated was for board member and staff compensation. We continue to have concerns with the board's financial controls and ability to provide accurate and reliable information.

Since our last letter dated July 1, 2024, the board has undergone some organizational changes. Governor Lombardo removed the board's secretary/treasurer on July 3, 2024, citing our July 2024 letter. In addition, the Governor cited concerns over financial impropriety and failure to address the bank signature card needs of the board president and vice president pursuant to board bylaws. Governor Lombardo also mentioned the Executive Branch Audit Committee will conduct an audit of the board's financial records. We were not consulted or involved in the Governor's decision to remove the secretary/treasurer.

- State Board of Landscape Architecture (Annual Balance Sheet)

While the board's software balance sheet supported financial information reported, we identified discrepancies with underlying software supporting documents. Some discrepancies included the bank reconciliation and other reports not agreeing with the software balance sheet. The board is working on upgrading the accounting software and indicated that the software issues identified in fiscal year 2024 will be corrected for next year's reporting.

Findings Reported on Audits

Certain boards had findings reported by independent auditors for their fiscal year 2024 financial statements. Below is our summary of those findings reported by the boards' independent auditors:

- **Board of Dental Examiners of Nevada (Audited Annual Report)**

Audit included seven findings with five being repeat findings from the prior year: (1) insufficient knowledge, skills, and experience to oversee non-attest services, (2) repeat finding regarding material adjustments, (3) repeat finding regarding insufficient documentation and misclassification of transactions, (4) repeat finding regarding inadequate review of actuary reports on Public Employees' Retirement System (PERS) and Other Postemployment Benefits (OPEB), (5) repeat finding regarding noncompliance with annual reporting deadlines, (6) repeat finding regarding incorrect reporting of PERS contributions and inaccurate remittance advise calculations, and (7) incomplete and noncompliant reporting of capital assets. The independent auditor also issued a qualified opinion on the governmental activities and unmodified opinion on the general fund.

- **State Board of Nursing (Audited Annual Report)**

Audit included one finding regarding financial close and reporting.

- **Nevada State Board of Optometry (Audited Annual Report)**

Audit included one repeat finding from the prior year regarding financial close and reporting.

- **Board of Psychological Examiners (Audited Annual Report)**

Audit included one finding regarding the PERS expenditures.

- **Nevada State Board of Veterinary Medical Examiners (Audited Annual Report)**

Audit included two repeat findings from the prior year: (1) financial close and reporting, and (2) review of the actuary reports.

All other independent auditor findings on boards reported in January 2023 were resolved. We will continue to monitor the status of the financial reports not filed and financial issues noted and will provide an update regarding these issues in our July status report.

Boards Current with Financial Filing Requirements

The following boards submitted audit reports or balance sheets for the year ended June 30, 2024:

Nevada State Board of Accountancy
Board of Examiners for Alcohol, Drug and Gambling Counselors
State Board of Architecture, Interior Design and Residential Design
Board of Athletic Trainers
State Barbers' Health and Sanitation Board
Certified Court Reporters' Board of Nevada
Chiropractic Physicians' Board of Nevada
State Contractors' Board
State Board of Cosmetology
Board of Dental Examiners of Nevada
Board of Dispensing Opticians
Board of Environmental Health Specialists
Nevada Board of Homeopathic Medical Examiners
State Board of Landscape Architecture
Board for the Regulation of Liquified Petroleum Gas
Board of Examiners for Marriage and Family Therapists and Clinical Professional Counselors
Board of Medical Examiners of Nevada (See note 1 on Attachment A)
State Board of Nursing
Board of Occupational Therapy
Nevada State Board of Optometry
State Board of Oriental Medicine
State Board of Osteopathic Medicine
State Board of Pharmacy
Nevada Physical Therapy Board
State Board of Podiatry
State Board of Professional Engineers and Land Surveyors
Board of Psychological Examiners
Board of Examiners for Social Workers
Nevada State Board of Veterinary Medical Examiners

The following boards did not submit an audit report for the year ended June 30, 2024, but are compliant with NRS 218G.400. These boards have elected to submit a biennial audit and the next audit is due in December 2025.

Board of Applied Behavior Analysis
Nevada Funeral and Cemetery Services Board
Board of Examiners for Long-Term Care Administrators

Private Investigator's Licensing Board
Speech-Language Pathology, Audiology and Hearing Aid Dispensing Board

Financial Information – All Boards

See Attachment A for an overview of financial data on all occupational licensing boards.

Regulatory And Disciplinary Filing Requirements

Each regulatory body is required by NRS 622.100 to electronically submit to the Director of the Legislative Counsel Bureau (LCB) a quarterly summary of each disciplinary action taken by the regulatory body and a report that includes the following: number of licenses issued; number of applications received, reviewed, and rejected; average number of days between incomplete application rejection and resubmission; number of and reasons for applications denied; number of and reasons for disqualifications due to criminal history pursuant to NRS 622.085; and the number of petitions submitted for NRS 622.085 disqualification determinations.

All boards have submitted their required quarterly information for regulatory activities and disciplinary actions to the LCB website for the preceding four quarterly reporting periods pursuant to NRS 622.100 (quarters ended December 2023, March 2024, June 2024, and September 2024).

Please contact me at (775) 684-6815 or dcrossman@lcb.state.nv.us if you have any questions regarding this letter.

Sincerely,



Daniel L. Crossman, CPA
Legislative Auditor

DLC:jg
Attachment

cc: The Honorable Joe Lombardo, Governor of Nevada
Ryan Cherry, Chief of Staff, Office of the Governor (rcherry@gov.nv.gov)
Tiffany Greenameyer, Director, Office of Finance, Office of the Governor (tgreenameyer@finance.nv.gov)
Adina Fitzgerald, Director, Boards and Commissions, Office of the Governor (afitzgerald@gov.nv.gov)
Nikki Haag, Deputy Director, Office of Nevada Boards, Commissions, and Council Standards, Department of Business and Industry (nikki.haag@business.nv.gov)
Dr. Kristopher Sanchez, Director, Department of Business and Industry (kristopher.sanchez@business.nv.gov)
Jennifer Ruedy, Research Director, Research Division, LCB (jruedy@lcb.state.nv.us)
Patrick Guinan, Deputy Director of Strategic Planning, Director's Office, LCB (pguinan@lcb.state.nv.us)
Maria Velazquez, Research Policy Assistant, Research Division, LCB (maria.velazquez@lcb.state.nv.us)
Ross Armstrong, Executive Director, Nevada Commission on Ethics (rarmstrong@ethics.nv.gov)

Attachment A
Occupational Licensing Boards
Financial Information
2024

	Board	Revenues	Expenditures
1	State Contractors' Board	\$8,119,672	\$7,966,268
2	Board of Medical Examiners of Nevada ⁽¹⁾	7,029,291	6,899,145
3	State Board of Pharmacy	6,608,254	6,510,217
4	State Board of Nursing	4,747,246	4,780,218
5	State Board of Cosmetology	4,376,683	3,199,095
6	Private Investigator's Licensing Board ⁽²⁾	1,917,121	2,020,260
7	State Board of Professional Engineers and Land Surveyors	1,205,684	1,340,255
8	Board of Dental Examiners of Nevada	1,458,370	1,715,067
9	State Board of Osteopathic Medicine	1,078,314	892,244
10	State Board of Architecture, Interior Design and Residential Design	904,052	912,459
11	Board of Examiners for Social Workers	844,169	629,014
12	Nevada State Board of Accountancy	707,963	774,138
13	Board of Examiners for Marriage and Family Therapists and Clinical Professional Counselors	615,701	569,502
14	Nevada State Board of Veterinary Medical Examiners	599,778	569,337
15	Nevada Physical Therapy Board	598,941	645,950
16	Board for the Regulation of Liquefied Petroleum Gas	392,984	401,292
17	Nevada Funeral and Cemetery Services Board ⁽²⁾	378,167	453,016
18	Chiropractic Physicians' Board of Nevada	335,912	380,492
19	Board of Occupational Therapy	288,427	302,645
20	Nevada State Board of Optometry	251,657	365,440
21	Board of Applied Behavior Analysis ⁽²⁾	215,544	168,222
22	Board of Examiners for Alcohol, Drug and Gambling Counselors	210,615	221,395
23	Speech-Language Pathology, Audiology and Hearing Aid Dispensing Board ⁽²⁾	204,656	187,798
24	Board of Examiners for Long-Term Care Administrators ⁽²⁾	203,358	162,707
25	Board of Psychological Examiners	187,444	270,392
26	State Barbers' Health and Sanitation Board	165,931	136,345
27	Board of Dispensing Opticians	159,772	188,774
28	State Board of Landscape Architecture	128,563	117,848
29	State Board of Oriental Medicine	98,949	77,403
30	State Board of Podiatry	80,341	64,112
31	Certified Court Reporters' Board of Nevada	60,958	94,044
32	Board of Athletic Trainers	57,025	46,688
33	Board of Environmental Health Specialists	48,213	40,039
34	Nevada Board of Homeopathic Medical Examiners	21,550	41,659
35	Board of Massage Therapy ⁽³⁾	-	-

Source: Prepared from financial information submitted by each board. Amounts were not audited by the Audit Division, LCB.

⁽¹⁾ Board has a December 31 fiscal year-end. Amounts listed are from December 2023 audit report.

⁽²⁾ Amounts listed are from the audit report for the period ended June 30, 2023, as these boards report biennially.

⁽³⁾ Board did not submit the required financial report as of the date of this letter.