

NEVADA STATE BOARD OF OPTOMETRY
FINANCIAL STATEMENTS
JUNE 30, 2021

Draft

NEVADA STATE BOARD OF OPTOMETRY
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

	Page No.
INDEPENDENT AUDITOR'S REPORT	1 - 2
MANAGEMENT DISCUSSION AND ANALYSIS	3 - 6
BASIC FINANCIAL STATEMENTS	
Statement of Net Position and Governmental Fund Balance Sheet	8
Statement of Activities and Governmental Fund Revenue, Expenditures and Changes in Fund Balance	9
Notes to Financial Statements	10 - 24
REQUIRED SUPPLEMENTARY INFORMATION	
Statement of Revenue and Expenditures - Budget and Actual	26
Supplementary Pension Information	27 - 28
Supplementary Other Post-Employment Benefit Information	29 - 30
REPORT ON INTERNAL CONTROL AND COMPLIANCE	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	31 - 32
Schedule of Findings and Questioned Costs	33
Schedule of Prior Findings and Questioned Costs	34 - 35
AUDITOR'S COMMENTS	37 - 39

Casey Neilson, Inc.
Accountants and Advisors

INDEPENDENT AUDITOR'S REPORT

To the Board Members of
Nevada State Board of Optometry
Carson City, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Nevada State Board of Optometry (the "Board"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Board of as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States require that the management's discussion and analysis, budgetary comparison information, pension and other post-employment benefit information on pages 3 - 6, 26, 27 - 2 and 29 - 30, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated **Date Pending**, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Board's internal control over financial reporting and compliance.

Casey Nalon

Reno, Nevada
Date Pending

NEVADA STATE BOARD OF OPTOMETRY MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Nevada State Board of Optometry annual financial report presents our discussion and analysis of the Board's financial performance during the fiscal year that ended June 30, 2021. Please read it in conjunction with the Board's financial statements, which immediately follow this section.

Financial Highlights

- Revenue for the fiscal year ended June 30, 2021 was \$269,634 representing an decrease of 4.37% over fiscal year ended June 30, 2020.
- There was a decrease in long-term liabilities of \$34,408 and an increase in pension expense of \$34,222 as a result of required adjustments under GASB 68 and 82.
- There was an increase in long-term liabilities of \$8,692 and an increase in other post-employment benefit expense of \$6,166 as a result of required adjustments under GASB 75.

Overview of Financial Statements

This discussion and analysis are intended to serve as an introduction to the Board's basic financial statements. The Board's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Board's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Board's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Board is improving or deteriorating.

The statement of activities presents information showing how the Board's net position changed during the most recent fiscal year. All changes in net positions are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused compensated absences).

The government-wide financial statements outline functions of the Board that are principally supported by license fees. The governmental activities of the Board include licensing and regulation of Optometrists and to accredit schools of optometry in the State of Nevada. The government-wide financial statements can be found on pages 8 and 9 of this report.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Board uses only one governmental fund.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as government activities in the governmental-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows of spendable resources, as well as on

**NEVADA STATE BOARD OF OPTOMETRY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Board's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the governmental-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for government activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Board's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are on pages 8 and 9, respectively.

In accordance with Nevada Revised Statutes, the Board maintains its financial information in a special revenue fund. The basic governmental fund financial statements can be found on pages 8 and 9 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 10 through 24 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Board's budget process. The Board adopts an annual budget and a budgetary comparison has been provided in the governmental fund statement of revenue, expenditures and change in fund balance on page 25 of this report.

Condensed Financial Statements

The Condensed Statements of Net Position is as follows:

	June 30, 2021	June 30, 2020
ASSETS		
Current and other assets	\$ 573,406	\$ 771,273
Deferred outflows of resources	153,569	170,487
Capital assets, net	6,580	7,115
Total Assets	733,555	948,875
LIABILITIES		
Current liabilities	185,776	387,587
Deferred inflows of resources	75,757	97,619
Long-term liabilities	373,052	329,952
Total Liabilities	634,585	815,158
NET ASSETS		
Invested in capital assets	6,580	7,115
Unrestricted	92,390	126,602
Total Net Postion	\$ 98,970	\$ 133,717

**NEVADA STATE BOARD OF OPTOMETRY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Condensed Statements of Activities is as follows :

	June 30, 2021	June 30, 2020
REVENUE		
Program revenue-services	\$ 269,306	\$ 280,907
General revenue-investments	328	1,058
Total Revenue	<u>269,634</u>	<u>281,965</u>
EXPENSES		
Optometry Board operations	<u>288,113</u>	<u>221,401</u>
Change in Net Position	(18,479)	60,564
	<u>\$ (18,479)</u>	<u>\$ 60,564</u>

Government-wide Financial Analysis

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the Board, assets exceeded liabilities by \$98,0970 and \$133,717 as of June 30, 2021 and 2020, respectively.

Changes in Net Assets

The Board's total revenues for the fiscal year ended June 30, 2021 were \$269,634. The total costs of all programs and services were \$288,113. The decrease in net position is due to a general decrease in revenues as well as increases in the net adjustments associated with pension and other post-employment

Financial Analysis of the Board's Fund

As noted earlier, the Board uses fund accounting to ensure and demonstrate compliance with finance - related legal requirements.

Governmental Funds

The focus of the Board's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Board's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Board's net resources available for spending at the end of the fiscal year.

The financial performance of the Board as a whole is reflected in its governmental funds. As the Board completed the year, its governmental funds reported a balance of \$404,822.

Budgetary Highlights

The Board prepares its budget prior to the start of each year. A comparison of this budget with actual results is provided in the Statement of Revenue and Expenditures - Budget and Actual.

NEVADA STATE BOARD OF OPTOMETRY MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Assets and Debt Administration

In government-wide financial statements, these assets are reflected at their historical costs less accumulated depreciation. Additional information can be found in the footnotes to these financial statements.

Economic Factors and Next Years' Budget and Rates

The Board used no specific economic factors in preparing its budget for fiscal year 2020/2021. The Board's revenue is limited by maximum license fees specified in the Nevada Revised Statutes and the Nevada - Administrative Code.

Contacting the Board's Financial Management

This financial report is designed to provide a general overview of the Board's finances and to demonstrate the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Board at (775) 883-8367.

Draft

BASIC FINANCIAL STATEMENTS

Draft

NEVADA STATE BOARD OF OPTOMETRY
Statement of Net Position and Governmental Fund Balance Sheet
June 30, 2021

	<u>Government Fund</u>	<u>Adjustments (Note 9)</u>	<u>Statement of Net Position</u>
ASSETS			
Cash and cash equivalents	\$ 571,884	\$ -	\$ 571,884
Prepaid expenses	522	-	522
Refundable security deposit	1,000	-	1,000
Capital assets, net of accumulated depreciation	-	6,580	6,580
Total assets	<u>573,406</u>	<u>6,580</u>	<u>579,986</u>
DEFERRED OUTFLOWS OF RESOURCES			
Other post-employment benefits	-	11,694	11,694
Pension requirement	-	141,875	141,875
Total Assets and Deferred Outflows of Resources	<u>\$ 573,406</u>	<u>160,149</u>	<u>733,555</u>
LIABILITIES			
Employee benefits payable	\$ 10,493	\$ -	\$ 10,493
Licensing fees received in advance	158,091	-	158,091
Accrued compensated absences	-	17,192	17,192
Net other post-employment benefits liability	-	108,098	108,098
Net pension liability	-	264,954	264,954
Total liabilities	<u>168,584</u>	<u>390,244</u>	<u>558,828</u>
DEFERRED INFLOWS OF RESOURCES			
Other post-employment benefits	-	7,678	7,678
Pension requirement	-	68,079	68,079
Total Liabilities and Deferred Inflows of Resources	<u>168,584</u>	<u>466,001</u>	<u>634,585</u>
FUND BALANCE/NET POSITION			
FUND BALANCE			
Nonspendable	1,522	(1,522)	-
Assigned for:			
Board Activities	<u>403,300</u>	<u>(403,300)</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 573,406</u>		
NET POSITION			
Investment in capital assets, net of related debt		6,580	6,580
Unrestricted		<u>92,390</u>	<u>92,390</u>
Total Net Position		<u>\$ 98,970</u>	<u>\$ 98,970</u>

NEVADA STATE BOARD OF OPTOMETRY
Statement of Activities and Governmental Fund Revenue, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2021

	Government Fund	Adjustments (Note 9)	Statement of Activities
Expenditures/Expenses			
Optometry board operations	\$ 259,544	\$ 28,569	\$ 288,113
Total Expenditures			
Program Revenues			
Charges for services	269,306	-	269,306
Net program revenues	9,762	(28,569)	(18,807)
General Revenue			
Interest income	328	-	328
Excess of Revenue over Expenditures	10,090	(10,090)	-
Change in net position	-	(18,479)	(18,479)
Fund Balance/Net Position			
Fund Balance/Net Position, June 30, 2020 as previously reported	394,732	(261,015)	133,717
Prior period adjustment			
Change in accounting principle implementation of GASB 82	-	(16,268)	(16,268)
Fund Balance/Net Position, June 30, 2020 as restated	394,732	(277,283)	117,449
Fund Balance/Net Position, June 30, 2021	\$ 404,822	\$ (295,762)	\$ 98,970

NEVADA STATE BOARD OF OPTOMETRY
Notes to Financial Statements
June 30, 2021

NOTE 1 - NATURE OF OPERATIONS

The Nevada State Board of Optometry (the Board) was created in 1913 by the Nevada State Legislature. The Board is regulated by the Nevada Revised Statutes, which also specify the authorized activities of the Board. The Board is the licensing and regulatory agency for optometrists and has the power to accredit schools of optometry in the State of Nevada.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Effective July 1, 2001, Chapter 353 of the Nevada Revised Statutes (NRS) was amended to exempt certain professional and occupational boards from the state budget act and the provisions governing the administration of state funding. The provisions of Chapter 353 do not apply to boards created pursuant to chapters 485, 590 and 623 to 625A, inclusive, 628, 630 to 644, inclusive, 648, 654 and 656 of the NRS and the officers and employees thereof. Accordingly, the Board's budgeting and accounting practices and procedures have been removed from the oversight of the Department of Administration.

The Board's financial statements are not included in the financial statements of the State of Nevada since the State does not exercise financial or administrative control over the Board. This conforms with GASB codification Section 2100, *Defining the Government Reporting Entity*.

Basis of Presentation

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

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and A/CPA Pronouncements*, requires the Board to apply all applicable GASB pronouncements and, unless they conflict with or contradict GASB pronouncements all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989. Accordingly, the Board has not applied FASB pronouncements issued after that date.

NEVADA STATE BOARD OF OPTOMETRY
Notes to Financial Statements
June 30, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectable within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting except for compensated absences which are recognized as expenditures only when payment is due. By provision of statute, the Board administers its licensing registration biennially. Revenue derived from renewals is recognized ratably over the license term.

The Board has only governmental fund types.

Fund Accounting

Under chapter 636.110 of the Nevada Revised Statutes, the general fund of the Board is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures to be used solely for the Board's benefit. According to statute, any money deposited to Nevada State Board of Optometry does not revert to the State of Nevada's general fund. The net assets of the general fund are restricted solely to be used by the Board to meet its obligation of licensing and regulating the practice of optometry in the State of Nevada.

In the fund financial statements, fund balances for the governmental fund are reported in classifications that comprise a hierarchy based primarily on how amounts can be spent. These include "non-spendable" which are not expected to be converted to cash, such as inventory or prepaid items, "restricted" by conditions of law, regulation grants or contract with external parties, "committed" which arise from acts of the Board, "assigned" which reflect an intent by management of the Board or "unassigned" which is the residual amount.

The Board first utilizes restricted resources to finance qualifying activities then unrestricted resources, as they are needed. In the governmental environment, resources are often assigned or committed to specific purposes, indicating that those amounts are not considered available for general operations. In contrast to restricted amounts, these types of constraints are internal and can be removed or modified. Therefore, assignments and commitments are not presented in the statements of net position.

The Board has adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Equity is classified as net position and displayed in three different components. These include "Net invested in capital assets" which consist of capital assets, net of accumulated depreciation and any related debt; "Restricted net position which consists of net position with constraints placed on their use either by (1) external groups such as creditors, granters, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation; or "Unrestricted net position which is a net position that is neither classified as "invested in capital assets" nor as "restricted."

NEVADA STATE BOARD OF OPTOMETRY
Notes to Financial Statements
June 30, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows and Inflows of Resources

In addition to assets, a separate section is reported for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The changes in proportion and differences between employer contributions and proportionate share of contributions as well as contributions made after the measurement period for pensions and other post-employment benefits qualify for reporting in this category.

In addition to liabilities, a separate section is reported for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Differences between expected and actual experience and between projected and actual investment earnings on pension plan investments and other post-employment benefits qualify for reporting in this category.

Budget Data

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

Pensions

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

Post-employment Benefits Other Than Pensions (OPEB)

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NEVADA STATE BOARD OF OPTOMETRY
Notes to Financial Statements
June 30, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash is maintained in various commercial banks in Carson City, Nevada. The Board participates in the State of Nevada collateralization program to assure that funds deposited are protected. By statutes, all cash must be deposited in entities that are located in the State of Nevada.

Risk Management

The Board collects licensing fees in the State of Nevada. Financial instruments which potentially subject the Board to concentrations of credit risk consist primarily of cash equivalents. The Board has not experienced any significant losses in such accounts, nor does the Board believe it is exposed to any significant credit risk.

The Board has bank accounts, which are insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution. On June 30, 2021, the bank balances do not exceeded federally insured limits.

Subsequent Events

In preparing these financial statements, the Board has evaluated events and transactions for potential recognition or disclosure through **Date Pending**, the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

Capital Assets

Capital assets, which include furniture, fixtures and equipment are reported in the net asset column in the government-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$1,000 and an estimated useful life of at least one year. Such assets are recorded at historical cost. Donated assets are recorded at estimated fair market value at the date of donation. Expenditures for minor replacements, maintenance, and repairs are charged to expense as incurred. Depreciation is provided over the estimated useful lives of 3 to 5 years of the related capital assets using the straight-line method for financial statement purposes.

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

Compensated Absences

The Board accrues a liability for compensated absences that meet all of the following criteria:

1. The Board's obligations relating to employee's rights to receive compensation for future absences is attributable to services already rendered;
2. The obligation relates to rights that vest or accumulate;
3. Payment of compensation is probable; and
4. The amount can be reasonably estimated.

Vacation and sick leave may be accumulated by employees up to certain maximums and is payable upon retirement or termination. No liability is reported for unpaid accumulated vacation or sick leave on the general fund balance sheet as no amounts were paid within 60 days subsequent to year end. Accumulated unused vacation and sick leave earned as of June 30, 2021, is reflected in the statement of net position.

NEVADA STATE BOARD OF OPTOMETRY
Notes to Financial Statements
June 30, 2021

NOTE 3 - COMPLIANCE WITH NEVADA STATUTES AND ADMINISTRATIVE CODES

It is believed that the Board conformed to all significant statutory constraints on its financial administration during the year under Nevada Revised Statutes 218 and 636.

NOTE 4 - CAPITAL ASSETS

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

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
Capital assets, not being depreciated				
None				
Capital assets, being depreciated				
Office furniture and equipment	\$ 31,761	\$ 1,430	\$ (1,490)	\$ 31,701
Website design	6,525	-	-	6,525
Total capital assets	38,286	1,430	(1,490)	38,226
Less accumulated depreciation	(31,172)	(1,443)	969	(31,646)
Total capital assets, being depreciated net	7,114	(13)	(521)	6,580
Net capital assets	\$ 7,114	\$ (13)	\$ (521)	\$ 6,580

NOTE 5 – OPERATING LEASES

The Board leases office space in Carson City, Nevada. The existing lease is set to expire February 5, 2025. The monthly rental payment is \$874 per month, increasing by 3% annually on February 1, which does not include CAM expenses of \$320 per month. The lease required a \$1,000 refundable security deposit. The total amount charged to expense for the fiscal year ended June 30, 2021 was \$10,621 for rent and \$3,903 for CAM expense. The following is a schedule by years of future minimum rental payments:

Year Ending June 30,	
2022	\$ 14,776
2023	15,104
2024	15,442
2025	10,458
	<u>\$ 55,780</u>

NEVADA STATE BOARD OF OPTOMETRY
Notes to Financial Statements
June 30, 2021

NOTE 6 - LONG-TERM LIABILITIES

The following is a summary of changes in the Board's long-term liabilities, other than net pension liability and net other post-employment benefits liability:

	Balance July 1, 2020	Increases (Decreases)	Balance June 30, 2021	Due Within One Year
Accrued compensated absences	\$ 11,046	\$ 6,146	\$ 17,192	\$ 17,192

NOTE 7 - DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description

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

Benefits Provided

Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010 and July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this factor is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% service time factor and for regular members entering the System on or after July 1, 2015, there is a 2.25% factor. The System offers several alternatives to the unmodified service retirement allowance which, in general allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death. Post-retirement increases are provided by authority of NRS 286.575 - .579.

Vesting

Regular members entering the System 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 entering the System 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 30 years of service. Regular members who entered the System on or after July 1, 2015, are eligible for retirement at age 65 with 5 years of service, 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.

NEVADA STATE BOARD OF OPTOMETRY
Notes to Financial Statements
June 30, 2021

NOTE 7 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

Vesting (Continued)

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. Both Regular and Police/Fire 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.

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

The System receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis. Contributions 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 actuarial funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary.

For the fiscal years ended June 30, 2020 the Statutory Employer/employee matching rate was 15.25% for Regular and 22.00% for Police/Fire. The Employer-pay contribution (EPC) rate was 29.25% for Regular and 42.50% for Police/Fire.

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

At June 30, 2021, the Board reported a liability of \$264,954 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Board's proportion of the net pension liability was based on total contributions due on wages paid during the measurement period. Each employer's proportion of the net pension liability was based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2020. At June 30, 2020, the Board's proportion was .00190%.

NEVADA STATE BOARD OF OPTOMETRY
Notes to Financial Statements
June 30, 2021

NOTE 7 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

For the year ended June 30, 2021, the Board recognized pension expense of \$34,222 and contributions made on behalf of employees of \$20,528. Amounts totaling \$20,528, resulting from Board contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. For the year ended June 30, 2021, the Board contributed \$20,528, under the statutory requirements based upon covered payroll of \$147,386 which equates to 13.93% overall to the plan. At June 30, 2021, the Board 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	\$ 8,232	\$ 3,421
Net difference between projected and actual earnings on pension plan investments	-	10,009
Change in assumptions	7,442	-
Change in proportion	105,673	54,649
Board contributions subsequent to the measurement date	20,528	-
	\$ 141,875	\$ 68,079

Deferred outflows/(inflows) of resources will be recognized as follows:

Year Ending June 30		
2022	\$	8,682
2023		18,701
2024		21,607
2025		1,035
2026		2,662
2027 and later		581
	\$	53,268

The net difference between projected and actual investment earnings on pension plan investments will be recognized over five years, all the other above deferred outflows and deferred inflows will be recognized over the average expected remaining service lives, which was 6.13 years for the measurement period ending June 30, 2020.

NEVADA STATE BOARD OF OPTOMETRY
Notes to Financial Statements
June 30, 2021

NOTE 7 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Actuarial Assumptions

The System's net pension liability was measured as of June 30, 2020, 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	2.75%
Payroll growth	5.00%, including inflation
Investment rate of return	7.50%
Productivity pay increase	0.50%
Projected salary increases	Regular: 4.25% to 9.15%, depending on service Police/Fire: 4.55% to 13.9%, depending on service Rates include all inflation and productivity increases
Consumer price index	2.75%
Other assumptions	Same as those used in the June 30, 2020 funding actuarial valuation

Actuarial assumptions used in the June 30, 2020 valuation were based on the results of the experience study for the period July 1, 2012 through June 30, 2016. The discount rate used to measure the total pension liability was 7.50% as of June 30, 2020. 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, 2020, 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, 2020.

Investment Policy

The System's 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 System. As of June 30, 2020, PERS' long-term inflation assumption was 2.75%. The following was the Board adopted policy target asset allocation as of June 30, 2020:

Asset Class	Target Allocation	Expected Real Rate of Return
Domestic Equity	42%	5.50%
International Equity	18%	5.50%
Domestic Fixed Income	28%	0.75%
Private Markets	12%	6.65%

NEVADA STATE BOARD OF OPTOMETRY
Notes to Financial Statements
June 30, 2021

NOTE 7 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

The following presents the Board's proportionate share of the net pension liability of the PERS as of June 30, 2020 calculated using the discount rate of 7.50%, as well as what the Board's share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.50%) or 1 percentage-point higher (8.50%) than the current discount rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Board's proportionate share of the net pension liability	\$ 412,734	\$ 264,954	\$ 141,508

Pension Plan Fiduciary Net Position

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

NOTE 8 - OTHER POST EMPLOYMENT BENEFITS (OPEB)

The Nevada Public Employees Deferred Compensation Program

The Board employees are now eligible to participate in the Nevada Public Employees Deferred Compensation Program. The Program, established in 1977, is a voluntary tax-deferred supplemental retirement plan (IRC 457(b)), which provides participants and their beneficiaries with a supplement to their other retirement savings. The Program operates solely in the interest of the plan participants and beneficiaries. As a voluntary, participant-directed plan, participants bear the ongoing responsibility for deciding the amount of current compensation to defer and the selection of investment allocation and options. There are no employer contributions. No amount of deferred compensation was due to participant accounts by the Board as of June 30, 2021.

Public Employees Benefits Program of the State of Nevada

General Information About the OPEB Plan

Plan Description

Employees of the Board are provided with OPEB through the Self Insurance Trust Fund, Public Employees' Benefits Program (PEBP) - a cost-sharing multiple employer defined benefit OPEB plan administered by the Public Employees' Benefits Program Board (PEBP Board) which was created in 1983 by the Nevada Legislature to administer group health, life and disability insurance for covered employees, both active and retired, of the State, and certain other participating public employers within the State of Nevada. PEBP does not provide for refunds of employee contributions. The Self Insurance Trust Fund issues a publicly available financial report that can be obtained at <https://pebp.state.nv.us>.

NEVADA STATE BOARD OF OPTOMETRY
Notes to Financial Statements
June 30, 2021

NOTE 8 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

General Information About the OPEB Plan (Continued)

Plan Description (Continued)

The Board is reporting plan information consistent with the PEBP's accounting methods and assumptions as disclosed in the annual report. No information has come to our attention that indicates significant changes to the plan's disclosures.

Benefits Provided

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

Contributions

Per NRS 287 contribution requirements of the participating entities and covered employees are established and may be amended by the PEBP Board. The Boards' contractually required contribution for the year ended June 30, 2020, was \$3,155, actuarially determined as an amount that is expected to finance that costs of benefits earned by employees during the year. Employees are not required to contribute to the OPEB plan.

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

At June 30, 2021, the Board reported a liability of \$108,098 for its proportional share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB Liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Board's proportion of the net OPEB liability was based on a projection of the Board's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating state agencies. Actuarially determined, at June 30, 2020, the Board's proportion was 0.0072%.

For the year ended June 30, 2021, the Board recognized OPEB expense of \$6,166. Amounts totaling \$3,039, resulting from Board contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. For the year ended June 30, 2021, the Board contributed \$3,039, under the statutory requirements based upon covered payroll of \$147,386 which equates to 2.24% overall to the plan. At June 30, 2021, the Board 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
Changes of assumptions	\$ 8,655	\$ 2,187
Liability experience	-	5,468
Asset experience	-	23
Contributions subsequent to the measurement date	3,039	-
	<u>\$ 11,694</u>	<u>\$ 7,678</u>

NEVADA STATE BOARD OF OPTOMETRY
Notes to Financial Statements
June 30, 2021

NOTE 8 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

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

<u>Year Ending June 30</u>		
2022	\$	(897)
2023		429
2024		842
2025		603
2026		-
2027 and later		-
	<u>\$</u>	<u>977</u>

Actuarial Assumptions

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	Payroll growth	2.50%
Investment rate of return		5.42%, average
Healthcare cost trend rates		3.51%
		6.25% for 2020, see report for additional years

Mortality rates were based on the Public Retirement Plans General Mortality Table weighted by Headcount, projected by MP-2019. Disabled Mortality rates were based on the Public Retirement Plans General Disabled Mortality Table weighted by Headcount, projected by MP-2019.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial valuation date of January 1, 2020, adjusted by using roll-forward procedures to determine the liability at the measurement date.

Discount Rate

The discount rate basis under GASB 75 is required to be consistent with a 20-year Municipal Bond Index. The Bond Buyer General Obligation 20-Bond Municipal Bond Index is used for the determination of the discount rate.

The discount rates as of June 30, 2020, 2019 and 2018 are 2.21%, 3.51% and 3.87% respectively. Additional detail regarding the discount rates as of June 30, 2020, 2019 and 2018 are provided in the "Actuarial Assumptions and Methods" section of the report provided by the PEBP Board.

NEVADA STATE BOARD OF OPTOMETRY
Notes to Financial Statements
June 30, 2021

NOTE 8 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

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

The following presents the Board's proportionate share of the net OPEB liability, as well as what the Board's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (1.21%)	Discount (2.21%)	1% Increase (3.21%)
Net OPEB liability	\$ 120,967	\$ 108,098	\$ 97,224

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

The following presents the Board's proportionate share of the net OPEB liability, as well as what the Board's proportionate share of the net OPEB liability would be if it were calculated using health care cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current health care trend rates:

	Health Care Cost Trend Rates		
	1% Decrease	Trend rate	1% Increase
Net OPEB liability	\$ 101,107	\$ 108,098	\$ 116,466

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

NOTE 9 - CONVERSION TO GOVERNMENT-WIDE FINANCIAL STATEMENTS

Adjustments on the face of the financial statements were made to the fund balance sheet and statement of revenue, expenditures, and changes in fund balance in order to reconcile the fund financial statements to the government-wide statements of net assets and activities. These adjustments detail the effect of the capitalization of fixed assets of \$38,226, accumulated depreciation of \$(31,646), depreciation expense of \$1,443, the recognition of liabilities for unpaid compensated absences of \$17,192, the recording of the Board's proportionate share of deferred outflows of resources of \$141,875, deferred inflows of resources of \$68,079 and net pension liability of \$264,954 relating to the defined benefit pension plan detailed in Note 7, and the recording of the Board's proportionate share of deferred outflows of resources of \$11,694, deferred inflows of resources of \$7,678 and net other post-employment benefits liability of \$108,098 relating to the other post-employment benefits plan detailed in Note 8.

NEVADA STATE BOARD OF OPTOMETRY
Notes to Financial Statements
June 30, 2021

NOTE 10 – RISK MANAGEMENT

On March 12, 2020 The Governor of Nevada declared a state of emergency in response to the global pandemic caused by the coronavirus (COVID-19) infectious disease outbreak. The Governor required closure of non-essential business as of March 12, 2020 and did not begin to open again until May 18, 2020. In the Declaration of Emergency Directive 011, the Governor ordered that all professional licensing boards regulating providers of medical services shall temporarily waive certain licensing requirements to allow the practice of currently unlicensed skilled medical professionals during the pendency of the COVID-19 crisis. The waiver and exemption of professional licensing requirements applies to qualified providers of medical services during this declared emergency who currently hold a valid license in good standing in another state, providers of medical services whose licenses currently stand suspended for licensing fee delinquencies, providers of medical services whose licenses currently stand suspended for failure to meet continuing medical education requirements, and providers of medical services who have retired from their practice in any state with their license in good standing. The Board is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, while the Board's programs have continued operations, the overall current and future impact to the Board as a result of this pandemic is unknown.

NOTE 11 – DISCIPLINARY PROCEEDINGS AND CONTINGENCIES

In connection with the Board's enforcement program as prescribed by statute and regulation, it may seek recovery from licensees for costs incurred related to the investigative and disciplinary actions taken by the Board. Judgments made by the Board included stipulations for cost recoveries; these recovery amounts are presented as part of operating revenue. In addition, the Board is authorized to impose administrative fines. The Board acts as an agent for the State of Nevada with respect to the administrative fine; thus, fines collected by the Board are remitted to the State of Nevada.

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

NOTE 12 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through **Date Pending**, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

NOTE 13 - ERROR CORRECTION AND PRIOR PERIOD ADJUSTMENTS

In March 2016, the GASB issued Statement No. 82, Pension Issues an amendment of GASB Statements No. 67, No. 68, and No. 73. The Statement helped to clarify issues that arose out of the implementation of GASB Statements No. 67, No. 68, and No. 73, including the required supplementary information that is required to be presented in the financial statements. This Statement was effective for periods beginning after June 15, 2016. Specifically, this Statement clarified that payments that are made by an employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements should be classified as plan member contributions for purposes of GASB No. 68.

During 2021, the Board became aware that GASB No. 82 was not fully implemented, and deferred outflows in the prior year included plan member contributions.

NEVADA STATE BOARD OF OPTOMETRY
Notes to Financial Statements
June 30, 2021

NOTE 13 - ERROR CORRECTION AND PRIOR PERIOD ADJUSTMENTS (CONTINUED)

Beginning net position was restated to adopt the provisions of GASB Statement No. 75 to report the beginning net OPEB liability as follows:

Net position at June 30, 2020, as previously reported	\$133,717
Less reduction in deferred outflows under GASB Statement No. 82	<u>(16,268)</u>
Net position at July 1, 2020, as restated	<u>\$117,449</u>

Draft

REQUIRED SUPPLEMENTARY INFORMATION

Draft

NEVADA STATE BOARD OF OPTOMETRY
Statement of Revenue and Expenditures - Budget and Actual
For the Year Ended June 30, 2021
(With Comparative Totals for The Year Ended June 30, 2020)

	2021		Variance Favorable (Unfavorable)	2020
	Original and Final Budget (<i>unaudited</i>)	Actual		Actual
REVENUES				
License renewal	\$ 3,000	\$ 195,694	\$ 192,694	\$ 162,764
Application and exam fees	26,906	20,479	(6,427)	33,625
Fines	-	-	-	2,613
Other	43,750	53,133	9,383	81,905
Interest income	1,000	328	(672)	1,058
Total Revenues	74,656	269,634	194,978	281,965
EXPENDITURES				
Operations				
Salaries	137,000	142,098	5,098	139,691
Operating expense	43,450	35,630	(7,820)	50,678
Employee benefits	46,500	67,303	20,803	55,158
Professional services	15,350	11,505	(3,845)	18,845
Travel	9,500	3,008	(6,492)	4,834
Total Expenditures	251,800	259,544	7,744	269,206
Excess (Deficiency) of Revenues Over Expenditures	\$ (177,144)	\$ 10,090	\$ 187,234	\$ 12,759

NEVADA STATE BOARD OF OPTOMETRY
Schedules of Required Supplementary Information
For the Year Ended June 30, 2021

**SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY**
Nevada State Public Employees' Retirement System

Year Ended June 30	Board's proportion of the net pension liability (asset)	Board's proportionate share of the net pension liability (asset)	Board's covered employee payroll	Board's proportionate share of the net pension liability (asset) as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2015	0.00116%	\$ 132,758	\$ 66,737	198.93%	75.13%
2016	0.00074%	\$ 99,946	\$ 43,820	228.08%	72.23%
2017	0.00155%	\$ 205,782	\$ 94,257	218.32%	74.42%
2018	0.00216%	\$ 294,968	\$ 134,723	218.94%	75.24%
2019	0.00169%	\$ 230,546	\$ 110,000	209.59%	76.46%
2020	0.00190%	\$ 264,954	\$ 128,951	205.47%	77.04%

NEVADA STATE BOARD OF OPTOMETRY
Schedules of Required Supplementary Information
For the Year Ended June 30, 2021

SCHEDULE OF BOARD CONTRIBUTIONS
Nevada State Public Employees' Retirement System

Year Ended June 30	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	\$ 17,397	\$ 16,665	\$ 732	\$ 66,737	24.97%
2016	\$ 6,576	\$ 6,288	\$ 287	\$ 43,820	14.35%
2017	\$ 14,147	\$ 13,980	\$ 170	\$ 94,257	14.83%
2018	\$ 20,297	\$ 20,094	\$ 203	\$ 134,723	14.91%
2019	\$ 16,592	\$ 16,317	\$ 275	\$ 110,000	14.83%
2020	\$ 20,485	\$ 19,857	\$ 628	\$ 128,951	15.40%

Notes: All contributions shown reflect employer-paid contributions only. Member contributions are excluded. Actuarially determined contributions above are based on actuarially determined contribution rates (employer portion only) from most recent rate-setting year prior to year shown, applied to covered payroll for year shown.

NEVADA STATE BOARD OF OPTOMETRY
Schedules of Required Supplementary Information
For the Year Ended June 30, 2021

**SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY**
Nevada State Public Employee's Benefits Program

Year Ended June 30	Board's proportion of the net pension liability (asset)	Board's proportionate share of the net pension liability (asset)	Board's covered employee payroll	Board's proportionate share of the net pension liability (asset) as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2018	0.00300%	39,278	\$ 49,916	78.69%	0.11%
2019	0.01130%	149,378	\$ 213,677	69.91%	0.12%
2020	0.00710%	99,406	\$ 141,393	70.30%	0.02%
2021	0.00720%	108,098	\$ 147,361	73.36%	-0.38%

NEVADA STATE BOARD OF OPTOMETRY
 Schedules of Required Supplementary Information
 For the Year Ended June 30, 2021

SCHEDULE OF BOARD CONTRIBUTIONS
Nevada State Public Employee's Benefits Program

Year Ended June 30	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a % of Covered Employee Payroll
2018	\$ 1,142	\$ 1,141	\$ 1	\$ 49,916	2.35%
2019	\$ 4,487	\$ 4,483	\$ 5	\$ 213,677	2.10%
2020	\$ 3,017	\$ 2,907	\$ 110	\$ 141,393	2.06%
2021	\$ 3,598	\$ 3,159	\$ 438	\$ 147,361	2.14%

Draft

Casey Neilson, Inc.
Accountants and Advisors

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

To the Board of Directors of
Nevada State Board of Optometry
Carson City, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Nevada State Board of Optometry (the "Board") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated **Date Pending**.

Internal Control Over Financial Reporting

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

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 may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and in considering the Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Casey Nalon

Carson City, Nevada

Date Pending

Draft

NEVADA STATE BOARD OF OPTOMETRY
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

**FINDINGS — FINANCIAL STATEMENTS AUDIT
SIGNIFICANT DEFICIENCIES AND MATERIAL WEAKNESS
INTERNAL CONTROL OVER FINANCIAL REPORTING**

NONE

Draft

NEVADA STATE BOARD OF OPTOMETRY
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

**FINDINGS — FINANCIAL STATEMENTS AUDIT
SIGNIFICANT DEFICIENCIES AND MATERIAL WEAKNESS
INTERNAL CONTROL OVER FINANCIAL REPORTING**

NONE

**FINDINGS — FINANCIAL STATEMENTS AUDIT
COMPLIANCE AND OTHER MATTERS
REPORTABLE INSTANCE OF NONCOMPLIANCE**

FINDING NO. 2020-001

Statement of Condition: Audited financial statements were not approved by the Board of Directors submitted to the State of Nevada Legislative Council Bureau by December 1, 2020.

Criteria: NRS 218G.400(1.b) requires that "each board created by the provisions of NRS 630 to 644, inclusive shall... file a report of an audit of its fiscal records with the Legislative Auditor and the Chief of the Budget Division of the Office of Finance on or before December 1 following the end of that fiscal year."

Effect of Condition: Failure to submit the audit report to the Board of Directors and subsequently to the State of Nevada Legislative Counsel Bureau, could result in the State of Nevada pursuing any and all legal remedies afforded it by Statute.

Cause of Condition: Due to the COVID-19 Global Pandemic, the transitioning to a remote working environment, resulted in the reconciliation of the accounting records not being completed in a manner sufficient to allow for a timely completion of the audit.

Recommendation: The Executive Director should endeavor to reconcile the accounting records in a timelier manner.

Comments: The Board agrees with the finding and the Executive Director has already instituted new protocols surrounding the remote working environment to allow for a more timely year end reconciliation of the accounting records.

Current Year Status: The Board's financial statements for the 2021 fiscal year have been audited and were made available to for approval prior to the December 1 deadline.

FINDING NO. 2020-002

Statement of Condition: The Executive Director failed to sufficiently maintain a record of the results of all examination applicants in compliance with NRS 636.105

Criteria: NRS 636.105(1.c) requires that "The Executive Director shall make and keep: a record of the results of all examinations of applicants."

Effect of Condition: Failure to properly maintain a record of the results of all examinations of applicants, could result in the State of Nevada pursuing any and all legal remedies afforded it by Statute.

NEVADA STATE BOARD OF OPTOMETRY
Schedule of Prior Findings and Questioned Costs
For the Year Ended June 30, 2021

**FINDINGS — FINANCIAL STATEMENTS AUDIT
COMPLIANCE AND OTHER MATTERS
REPORTABLE INSTANCE OF NONCOMPLIANCE (CONTINUED)**

FINDING NO. 2020-002 (CONTINUED)

Cause of Condition: Due to the COVID-19 Global Pandemic, certain documents were lost as a result of transitioning to a remote working environment. These documents were not able to be recreated, as a result licensee files did not contain all required information.

Recommendation: The Executive Director should endeavor to ensure that the results of all examinations of applicants are properly maintained according to Statute.

Comments: The Board agrees with the finding and will endeavor to ensure that the results of all examinations of applicants are properly maintained according to Statute. In addition, once the issues surrounding the missing information was discovered, the Executive Director instituted new protocols to ensure documents were not missing in the future, such protocols include transitioning from paper files to files maintained in an on-line database.

Current Year Status:

FINDING NO. 2020-003

Statement of Condition: The Executive Director failed to sufficiently maintain a register of all licensees in compliance with NRS 636.105

Criteria: NRS 636.105(1.d) requires that The Executive Director shall make and keep: a register of all licensees."

Effect of Condition: Failure to properly maintain a register of all licensees, could result in the State of Nevada pursuing any and all legal remedies afforded it by Statute.

Cause of Condition: Due to the COVID-19 Global Pandemic, certain documents were lost as a result of transitioning to a remote working environment. These documents were not able to be recreated, as a result licensee files did not contain all required information.

Recommendation: The Executive Director should endeavor to ensure that the register of all licensees is updated and accurately maintained.

Comments: The Board agrees with the finding and will endeavor to ensure that the results of all examinations of applicants are properly maintained according to Statute. In addition, once the issues surrounding the missing information was discovered, the Executive Director instituted new protocols to ensure documents were not missing in the future, such protocols include transitioning from paper files to files maintained in an on-line database.

Current Year Status:

AUDITOR'S COMMENTS

Draft

Casey Neilson, Inc.
Accountants and Advisors

Date Pending

To the Board Members and Management
Nevada State Board of Optometry
Carson City, Nevada

We have audited the financial statements of the governmental activities of the Nevada State Board of Optometry as of and for the year ended June 30, 2021, and have issued our report thereon dated **Date Pending**.

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 20, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Nevada State Board of Optometry are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. However, as described in Note 13, the Board had not fully implemented GASB Statement No. 82, and this was corrected in the current year. We noted no transactions entered into by the Nevada State Board of Optometry during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive accounting estimates affecting the financial statements are the estimates relating to pension and OPEB information and the related assets and liabilities.

Management's estimate of the pension and OPEB information is based on the actuarial report provided by the State of Nevada. We evaluated the key factors and assumptions used to develop the pension information and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Nevada State Board of Optometry's financial statements relate to pension and OPEB information.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements

The following misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management:

- Record checks written prior to year end that were not included in the accounting records until the subsequent year - \$850
- Correct balances related to payroll liabilities - \$762
- Record earned revenues - \$212,534

The following adjustments were proposed to report the changes for the government-wide financial statements:

- Record change in compensated absences - \$6,146
- Record depreciation expense - \$1,443
- Report change in pension accounts: deferred outflows, deferred inflows and net pension liability - \$78,251
- Report change in OPEB accounts: deferred outflows, deferred inflows and net OPEB liability - \$12,679

The following adjustment was proposed to correct the opening balance of net position for the application of GASB No. 82:

- Record prior period adjustment - \$16,628

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the management representation letter dated **Date Pending**.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Nevada State Board of Optometry's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Nevada State Board of Optometry's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, general fund budgetary comparison information, pension information and other postemployment benefit information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the capital projects fund budget to actual comparison and the individual fund financial statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This report is intended solely for the information and use of the governing body and management of Nevada State Board of Optometry and is not intended to be and should not be used by anyone other than these specified parties.

Casey Nelson

Reno, Nevada
Date Pending

Draft