

Financial Statements
June 30, 2023 and 2022
Nevada Applied Behavior Analysis Board

Nevada Applied Behavior Analysis Board
Table of Contents
June 30, 2023 and 2022

Independent Auditor’s Report	1
Management’s Discussion and Analysis	4
Basic Financial Statements	
Statements of Net Position and Governmental Fund Balance Sheets.....	8
Statements of Activities and Governmental Fund Revenue, Expenditures, and Changes in Fund Balances	10
Notes to Financial Statements.....	11
Required Supplementary Information	
Statements of Revenue and Expenditures – Budget and Actual	21
Schedule of Changes in Other Postemployment Benefits (OPEB) Liability.....	23
Schedule of Contributions.....	24
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>	25



CHRISTIANSEN
ACCOUNTING NETWORK

Independent Auditor's Report

To the Members
Nevada Applied Behavior Analysis Board
Reno, Nevada

Opinion

I have audited the accompanying financial statements of the governmental activities and major fund of the Nevada Applied Behavior Analysis Board (Board) as of and for the year ended June 30, 2023 and for the period from inception (October 1, 2021) to June 30, 2022, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Nevada Applied Behavior Analysis Board as of June 30, 2023 and 2022, and the respective changes in financial position thereof for the year ended June 30, 2023 and the period from inception (October 1, 2021) to June 30, 2022 in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

I conducted my 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Board, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibility of Management 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 of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States 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 substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism through the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Required Supplementary information

Accounting principles generally accepted in the United States of America require that the management discussion and analysis and budgetary comparison information on pages 4-7, and 21-24, 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated January 29, 2024, on my consideration of the Nevada Applied Behavior Analysis Board' internal control over financial reporting and on my 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 my 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 Nevada Applied Behavior Analysis Board' 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 Nevada Applied Behavior Analysis Board' internal control over financial reporting and compliance.

Chushman Accounting Network

Reno, Nevada
January 29, 2024

Our discussion and analysis of the Nevada Applied Behavior Analysis Board (Board) financial condition and activities for the fiscal year ended June 30, 2023 and the period from inception (October 1, 2021) to June 30, 2022 is presented in conjunction with the audited financial statements.

Financial Highlights

- The Board of Applied Behavior Analysis was established October 1, 2021 pursuant to Nevada Senate Bill No. 217, which affected the transfer of the responsibilities concerning licensing and regulation of the practice of applied behavior analysis in Nevada from the Aging and Disabilities Services Division of the Department of Health and Human Services to the Board. The Board received approximately \$300,000 in net transfers from the State at its inception.
- Program revenue for the fiscal year ended June 30, 2023 and the period from inception (October 1, 2021) to June 30, 2022 were approximately \$216,000 and \$155,000, respectively. Revenue was more than budget for the fiscal year ended June 30, 2023 in all categories of license, application, exam, and other fees due to new licensees. Program revenue was not budgeted for the period from inception (October 1, 2021) to June 30, 2022.
- General fund expenditures for the fiscal year ended June 30, 2023 and the period from inception (October 1, 2021) to June 30, 2022 were approximately \$160,000 and \$101,000, respectively. Overall expenses were more than budget for the fiscal year ended June 30, 2023 primarily related to higher personnel expenses offset by lower than budgeted operating costs. General fund expenditures were not budgeted for the period from inception (October 1, 2021) to June 30, 2022.

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

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

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

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

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

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

Financial Analysis

The basic financial statements, as well as the required supplementary information, the Statement of Revenue and Expenditures – Budget and Actual, serve as the key financial data for the Board members' and management's monitoring and planning.

Statements of Net Position

The Board's net position remains strong at year-end with adequate liquid assets to fulfill its responsibilities. The Board members and management believe the current financial condition and staff capabilities are sufficient to meet anticipated operating expenses and operational objectives.

Statements of Activities

Revenue: The program revenue received by the Board is generated through the application, renewal, and licensure fees of behavior analysts, assistant behavior analysts, and registered behavior technicians in Nevada. Total revenue received by the Board for the fiscal year ended June 30, 2023 was approximately \$60,000 more than the total revenue for the 10-months ended June 30, 2022 due primarily to the difference in the length of reporting periods and new licensees.

Expenses: Operating expenses for the fiscal year ended June 30, 2023 were approximately \$66,000 more than the operating expenses for the fiscal year ended June 30, 2022 due primarily to the difference in the length of the reporting periods and the hiring of a part-time employee and new training costs.

Nevada Applied Behavior Analysis Board
Management's Discussion and Analysis
June 30, 2023 and 2022

Following are summaries of the Board's Statements of Position and Statements of Activities:

CONDENSED STATEMENTS OF NET POSITION		
	2023	2022
ASSETS		
Cash and cash equivalents	\$ 667,317	\$ 439,464
Other current assets	2,100	261
Right of use subscription asset, net	7,956	15,912
Total Assets	677,373	455,637
DEFERRED OUTFLOWS OF RESOURCES		
	1,940	-
Total assets and deferred outflows of resources	679,313	455,637
LIABILITIES		
Accounts payable and other current liabilities	5,992	3,755
License fees received in advance	251,096	81,644
Accrued leave benefits	5,132	797
Long-term liabilities		
Due within one year	7,762	7,724
Due in more than one year	7,211	7,762
Total Liabilities	277,193	101,682
DEFERRED INFLOWS OF RESOURCES		
	843	-
Total liabilities and deferred inflows of resources	278,036	101,682
NET POSITION		
Unrestricted	\$ 401,277	\$ 353,955

CONDENSED STATEMENTS OF ACTIVITIES		
	2023	2022
REVENUE		
Licence fees	\$ 190,440	\$ 135,212
Other fees	25,104	20,025
Total revenue	215,544	155,237
EXPENDITURES AND EXPENSES		
Operations	59,454	45,926
Personnel	108,692	55,717
Interest	76	107
Total expenditures	168,222	101,750
OTHER FINANCING SOURCES - transfer in		
	-	300,468
CHANGE IN NET POSITION	\$ 47,322	\$ 353,955

Economic Factors and Next Year's Budget

The Board is charged with, and given statutory authority, to provide public protection through the licensure and regulation of behavior analysts, assistant behavior analysts, and registered behavior technicians in Nevada. The Board provides direction of staff actions toward its mission of public protection through licensure and disciplinary measures.

Staff continues seeking areas in which operating expenses can be reduced without jeopardizing the high level of customer service the licensees and public expect.

Through the Board members' and management's review of the annual budget and monthly income and expense statements, it is expected that these tools will continue to provide the Board with sufficient long and short-term planning information.

Nevada Applied Behavior Analysis Board
 Statements of Net Position and Governmental Fund Balance Sheets
 June 30, 2023 and 2022

	2023		Statement of Net Position
	General Fund	Adjustments (Note 6)	
<u>ASSETS</u>			
Cash and cash equivalents	\$ 667,317	\$ -	\$ 667,317
Prepaid expenses	2,100	-	2,100
Right of use subscription asset, net	-	7,956	7,956
Total assets	669,417	7,956	677,373
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows related to OPEB	-	1,940	1,940
Total assets and deferred outflows of resources	669,417	9,896	679,313
<u>LIABILITIES</u>			
Accounts payable and payroll liabilities	5,992	-	5,992
Licensing fees received in advance	251,096	-	251,096
Accrued leave benefits	1,990	3,142	5,132
Long-term liabilities			
Due within one year:			
Subscription liability	-	7,762	7,762
Due in more than one year:			
Net OPEB liability	-	7,211	7,211
Total liabilities	259,078	18,115	277,193
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows related to OPEB	-	843	843
Total liabilities and deferred inflows of resources	259,078	18,958	278,036
<u>FUND BALANCE / NET POSITION</u>			
Fund balance			
Nonspendable	2,100	(2,100)	-
Unassigned	408,239	(408,239)	-
Total fund balance	410,339	(410,339)	-
Total liabilities and fund balance	\$ 669,417		
Net position			
Net invested in right of use subscription asset		194	194
Unrestricted		401,083	401,083
Total net position		\$ 401,277	\$ 401,277

Nevada Applied Behavior Analysis Board
 Statements of Net Position and Governmental Fund Balance Sheets
 June 30, 2023 and 2022

	2022		Statement of Net Position
	General Fund	Adjustments (Note 6)	
<u>ASSETS</u>			
Cash and cash equivalents	\$ 439,464	\$ -	\$ 439,464
Prepaid expenses	261	-	261
Right of use subscription asset, net	-	15,912	15,912
Total assets	439,725	15,912	455,637
<u>LIABILITIES</u>			
Accounts payable and payroll liabilities	3,755	-	3,755
Licensing fees received in advance	81,644	-	81,644
Accrued leave benefits	-	797	797
Long-term liabilities			
Due within one year:			
Subscription liability	-	7,724	7,724
Due in more than one year:			
Subscription liability	-	7,762	7,762
Total liabilities	85,399	16,283	101,682
<u>FUND BALANCE / NET POSITION</u>			
Fund balance			
Nonspendable	261	(261)	-
Unassigned	354,065	(354,065)	-
Total fund balance	354,326	(354,326)	-
Total liabilities and fund balance	\$ 439,725		
Net position			
Net invested in right of use subscription asset		426	426
Unrestricted		353,529	353,529
Total net position		\$ 353,955	\$ 353,955

Nevada Applied Behavior Analysis Board

Statements of Activities and Governmental Fund Revenue, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2023 and the Period from Inception (October 1, 2021) to June 30, 2022

	2023		
	General Fund	Adjustments (Note 6)	Statement of Activities
Expenditures/Expenses			
Board operations	\$ 159,531	\$ 8,615	\$ 168,146
Interest	-	76	76
Total expenditures/Expenses	159,531	8,691	168,222
Program Revenue			
Charges for services	215,544	-	215,544
Excess of Revenue Over (Under) Expenditures	56,013	(56,013)	-
Change in Net Position	-	47,322	47,322
Fund Balance/Net Position, Beginning of Year	354,326	(371)	353,955
Fund Balance/Net Position, End of Year	<u>\$ 410,339</u>	<u>\$ (9,062)</u>	<u>\$ 401,277</u>
	2022		
	General Fund	Adjustments (Note 6)	Statement of Activities
Expenditures/Expenses			
Board operations	\$ 101,379	\$ 264	\$ 101,643
Interest	-	107	107
Total expenditures/Expenses	101,379	371	101,750
Program Revenue			
Charges for services	155,237	-	155,237
Other Financing Sources			
Transfers from other governments	300,468	-	300,468
Excess of Revenue and Other Financing Sources Over (Under) Expenditures	354,326	(354,326)	-
Change in Net Position	-	353,955	353,955
Fund Balance/Net Position, Beginning of Period	-	-	-
Fund Balance/Net Position, End of Period	<u>\$ 354,326</u>	<u>\$ (371)</u>	<u>\$ 353,955</u>

Note 1 - Reporting Entity and Summary of Significant Accounting Policies

The Nevada Applied Behavior Analysis Board (Board) is regulated by Nevada Revised Statute (NRS) 641D, which also specifies the authorized activities of the Board. It is the licensing and regulatory agency for the practice of applied behavior analysis in the state of Nevada. The Board was created to examine and pass upon the qualifications of the applicants for licensure, to license qualified applicants, to revoke or suspend licenses and to collect all fees and make disbursements for program activities.

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.

The following is a summary of the more significant 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 623 to 625A, inclusive, 628, 630 to 644A, inclusive, 654 and 656 of the NRS and the officers and employees thereof. The Board was created pursuant to change 641D. Accordingly, the Board's budgeting and accounting practices and procedures have been removed from the oversight of the Department of Administration.

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

Basis of Presentation

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

Fund Accounting

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. The net position of the general fund is restricted solely to be used by the Board to meet its obligation of licensing and regulating behavior analysts, assistant behavior analysts, and registered behavior technicians in the state of Nevada.

Note 1 – Reporting Entity and 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 it is both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectable within the current period or within 60 days after year-end to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures relating to compensated absences are recorded only when payment is due.

The Board has only governmental fund types.

Budget Data

For the period of inception to June 30, 2022, the Board did not prepare a budget because it did not have sufficient data. Beginning with the fiscal year ended June 30, 2023, the Board is preparing 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.

Cash and Cash Equivalents

Cash includes a checking account at a commercial bank. By provision of statutes, the Board is authorized to deposit all money in banks or savings and loan associations located in the state of Nevada and must be subject to withdrawal on demand. The Board participates in the State of Nevada collateralization program to assure that funds deposited are protected.

Right of Use Subscription Asset and Liability

The Board implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Technology Arrangements*, as of October 1, 2021. The primary objective is to better meet the information needs of financial statement users by improving the accounting and financial reporting for subscription technology arrangements by governments. In accordance with the standard, the Board has recognized a right of use subscription asset and liability based on the present value of the subscription payments. The right of use subscription asset is amortized on a straight-line basis and the liability is reduced for payments made, net of interest expense over the subscription term.

Compensated Absences

It is the Board’s policy to permit employees to accumulate earned but unused personal time off (PTO) benefits. A liability is reported for unpaid accumulated PTO on the general fund balance sheet if amounts were paid within 60 days subsequent to year-end. Total accumulated unused PTO leave earned as of June 30, 2023 and 2022, is reflected in the statements of net position.

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Licensing Fees Received in Advance

The Board's licensing period encompasses a two-year period ending December 31 of each even-numbered year. Licensing fees revenue is recognized ratably over the renewal period.

Licensing fees received in advance consists of the unearned portion of biennial license renewal fees collected prior to June 30, 2023 and 2022 that are applicable to future periods.

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 other postemployment 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 other postemployment benefits qualify for reporting in this category.

Fund Equity and Net Position

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

- Nonspendable - represents amounts that are either not in a spendable form or are legally or contractually required to remain intact. The Board includes fund balances that have been prepaid for expenses in this category.
- Restricted – represents amounts which can be spent only for specific purposes because of state or federal laws, or externally imposed conditions. The Board has no restricted fund balances.
- Committed – represents amounts which can be used only for specific purposes determined by the members of the governing Board's formal action through a resolution or action. The Board has no committed funds.
- Assigned - represents amounts that are intended by the Board for specific purposes but do not require action by the governing Board. The Board has no assigned funds.
- Unassigned – represents all amounts not included in nonspendable classifications.

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

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

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

- Net investment in capital and right of use assets – consists of capital and right of use assets, net of accumulated depreciation, amortization, and any related debt.
- Restricted net position – consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Board has no restricted net position.
- Unrestricted net position – net position that is neither classified as “invested in capital and lease assets” nor as “restricted.”

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

Other Postemployment Benefits (OPEB)

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

Subsequent Events

Subsequent events have been evaluated through January 29, 2024, which is the date the financial statements were available to be issued.

Note 2 - Right of Use Subscription Asset and Liability

The Board has entered into a software subscription agreement effective October 1, 2021 through June 30, 2024 to facilitate licensing, renewals, and applications. The required annual payments as follows:

<u>Years Ending June 30,</u>	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 6,393	\$ 107	\$ 6,500
2023	7,724	76	7,800
2024	<u>7,762</u>	<u>38</u>	<u>7,800</u>
	<u>\$ 21,879</u>	<u>\$ 221</u>	<u>\$ 22,100</u>

Following is a summary of the right of use subscription asset and subscription liability reflected in the accompanying statement of statements of net position:

	<u>2023</u>	<u>2022</u>
Right of use subscription asset	\$ 21,879	\$ 21,879
Accumulated amortization	<u>(13,923)</u>	<u>(5,967)</u>
	<u>\$ 7,956</u>	<u>\$ 15,912</u>
Subscription liability		
Current portion	\$ 7,762	\$ 7,724
Long-term portion	<u>-</u>	<u>7,762</u>
	<u>\$ 7,762</u>	<u>\$ 15,486</u>

Note 3 - Long-term Obligations Activity

Following is a summary of the change in long-term obligations, other than OPEB liabilities:

	<u>Balance July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2023</u>	<u>Current Portion</u>
Accrued leave liability	\$ 797	\$ 4,335	\$ -	\$ 5,132	\$ 5,132
Subscription liability	<u>15,486</u>	<u>-</u>	<u>(7,724)</u>	<u>7,762</u>	<u>7,762</u>
	<u>\$ 16,283</u>	<u>\$ 4,335</u>	<u>\$ (7,724)</u>	<u>\$ 12,894</u>	<u>\$ 12,894</u>
	<u>Balance October 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2022</u>	<u>Current Portion</u>
Accrued leave liability	\$ -	\$ 797	\$ -	\$ 797	\$ 797
Subscription liability	<u>-</u>	<u>21,879</u>	<u>(6,393)</u>	<u>15,486</u>	<u>7,724</u>
	<u>\$ -</u>	<u>\$ 22,676</u>	<u>\$ (6,393)</u>	<u>\$ 16,283</u>	<u>\$ 8,521</u>

Note 4 - Retirement Benefits

The Board does not currently participate in the Public Employees Retirement System (PERS); however, it may elect to be a participating employer in the future. If the Board elects to be a participating employer in PERS, the Board will be required to participate for the life of the Board.

Employees may elect to make pre-tax contributions to the Nevada Deferred Compensation Program (Program) a qualified 457(b) plan. The Board may make contributions to the Program on behalf of employees who have worked for twelve consecutive months or more at an amount to be determined at the Board's discretion. For the fiscal year ended June 30, 2023 and the period from inception (October 1, 2021) to June 30, 2022, the Board's employer contributions totaled \$4,591 and \$0, respectively.

Note 5 - Compliance with Nevada Revised Statutes and Nevada Administrative Code

As a newly established board, the Board exceeded the revenue threshold for a biennial audit requirement for the first time in the fiscal year ended June 30, 2023. As soon as the Board became aware that an audit would be required, it notified the Legislative Council Bureau prior to the December 1, 2023 deadline that it was seeking to engage an auditor, but the audit would be late as it was not possible to engage an auditor and complete the audit by that date. Otherwise, the Board conformed to all significant statutory constraints on its financial administration during the fiscal years.

Note 6 - Conversion to Government-Wide Financial Statements

Adjustments on the face of the financial statements were made to the fund balance sheets and statements of revenue, expenditures, and changes in fund balances in order to reconcile the fund financial statements to the government-wide statements of net position and activities. The adjustments include the following:

	2023	2022
Fund Balance - Total Governmental Funds	\$ 410,339	\$ 354,326
Assets		
Right of use subscription asset, net	7,956	15,912
Deferred outflows of resources related to OPEB	1,940	-
Liabilities		
Accrued compensated absences	(3,142)	(797)
Subscription liability	(7,762)	(15,486)
Net OPEB liability	(7,211)	-
	(18,115)	(16,283)
Deferred inflows of resources related to OPEB	(843)	-
Net Position	\$ 401,277	\$ 353,955

Note 6 – Conversion to Government-Wide Financial Statements (Continued)

	2023	2022
Excess of Revenue and Other Financing Sources Over (Under) Expenditures	\$ 56,013	\$ 354,326
Expenditures/Expenses		
Subscription expense	7,800	6,500
Change in accrued leave benefits	(2,345)	(797)
Amortization or subscription asset	(7,956)	(5,967)
OPEB expenses	(6,114)	-
Interest expense	(76)	(107)
Change in Net Position	\$ 47,322	\$ 353,955

Note 7 - Other Postemployment Benefits Obligation (OPEB)

Plan Description

Employees of the Board are provided with OPEB through the Self Insurance Trust Fund, Public Employees' Benefits Program (PEBP) - a cost-sharing multiple employer defined benefit OPEB plan administered by the Public Employees' Benefits Program Board (PEBP Board) which was created in 1983 by the Nevada Legislature to administer group health, life and disability insurance for covered employees, both active and retired, of the State, and certain other participating public employers within the State 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/>. The Board is reporting plan information consistently with the PEBP's accounting methods and assumptions as disclosed in the annual report. No information has come to my 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 years ended June 30, 2023 and for the period from inception (October 1, 2021) to June 30, 2022 totaled \$276 and \$0, respectively. These contributions were actuarially determined as an amount that is expected to finance the costs of benefits earned by employees during the year. Employees are not required to contribute to the OPEB plan.

Note 7 -Other Postemployment Benefit Obligation (OPEB) (Continued)

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

At June 30, 2023 and 2022, the Board reported a liability of \$7,211 and \$0, respectively, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022 and 2021, respectively, 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, 2023 and 2022, the Board's proportion was 0.0005% and 0.0000%, respectively.

For the years ended June 30, 2023 and 2022, the Board recognized OPEB expense of \$6,114 and \$0, respectively.

At June 30, 2023 and 2022, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of assumptions	\$ 263	\$ 600
Change in proportions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	240
Asset experience	-	3
Board contributions subsequent to the measurement date	1,677	-
Total	\$ 1,940	\$ 843
	June 30, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of assumptions	\$ -	\$ -
Change in proportions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	-
Asset experience	-	-
Board contributions subsequent to the measurement date	-	-
Total	\$ -	\$ -

Note 7 -Other Postemployment Benefit Obligation (OPEB) (Continued)

Deferred outflows of resources related to OPEB resulting from Employer contributions subsequent to the measurement date in the amount of \$1,677 and \$0 for 2023 and 2022, respectively, will be recognized as a reduction of the net OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending June 30,	
2024	\$ (171)
2025	(188)
2026	(221)
2027	-
	\$ (580)

Actuarial Assumptions

The total OPEB liability in the annual actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

June 30, 2023	
Inflation rate	2.50%
Salary increases	4.20% to 9.10% for Regular members and 4.60% to 14.50% for Police/Fire members, varying service, including inflation
Investment rate of return	3.54%
Healthcare cost trend rates	4.80% increase effective July 1, 2023, then 7.25% graded down 0.25% to ultimate 4.50% over 11 years
June 30, 2022	
Inflation rate	2.75%
Salary increases	4.20% to 9.10% for Regular members and 4.60% to 14.50% for Police/Fire members, varying service, including inflation
Investment rate of return	2.16%
Healthcare cost trend rates	6.00% for 2022, see report for additional years

Mortality rates were based on PUB-2010 General Healthy Retiree Headcount – Weighted Above-Median Mortality Tables with rates adjusted to various levels based on factors such as sector and disability.

The actuarial assumptions used in the June 30, 2022 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.

Note 7 -Other Postemployment Benefit Obligation (OPEB) (Continued)

Discount Rate

The discount rate basis 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 used to measure the total OPEB liability at June 30, 2023 and June 30, 2022 were 3.54% and 2.16%, respectively.


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 or 1-percentage-point higher than the discount rate used:

	<u>1% Decrease</u> <u>2.54%</u>	<u>Current Rate</u> <u>3.54%</u>	<u>1% Increase</u> <u>4.54%</u>
June 30, 2023 net OPEB liability	<u>\$ 7,930</u>	<u>\$ 7,211</u>	<u>\$ 6,589</u>
	<u>1% Decrease</u> <u>1.16%</u>	<u>Current Rate</u> <u>2.16%</u>	<u>1% Increase</u> <u>3.16%</u>
June 30, 2022 net OPEB liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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.



Required Supplementary Information
June 30, 2023 and 2022
Nevada Applied Behavior Analysis Board

Nevada Applied Behavior Analysis Board
 Statements of Revenue and Expenditures – Budget and Actual
 Year Ended June 30, 2023 and the Period from Inception (October 1, 2021) to June 30, 2022

	2023		
	Original and Final Budget	Actual Amounts Budgetary Basis	Variance - Favorable (Unfavorable)
Revenue			
Licensing fees	\$ 174,284	\$ 190,440	\$ 16,156
Application fees	6,750	13,100	6,350
Exam and other fees	10,125	12,004	1,879
Total revenue	<u>191,159</u>	<u>215,544</u>	<u>24,385</u>
Expenditures			
Personnel services			
Salaries and wages	65,000	75,612	(10,612)
Payroll taxes	6,000	7,658	(1,658)
Medical benefits	7,200	2,571	4,629
Other employee benefits	1,400	14,915	(13,515)
Total personnel services	<u>79,600</u>	<u>100,756</u>	<u>(21,156)</u>
Travel	-	3,112	(3,112)
Operating			
Bank charges	4,500	7,895	(3,395)
Board compensation	9,000	10,950	(1,950)
Computer and internet	550	1,346	(796)
Insurance	650	690	(40)
Licensing software subscription	9,000	7,229	1,771
Office supplies	1,000	3,117	(2,117)
Postage and printing	300	1,077	(777)
Professional fees	38,700	13,627	25,073
Repairs and maintenance	-	286	(286)
Shared office facilities	6,000	5,977	23
Telephone	850	380	470
Training and conferences	3,500	3,089	411
Total expenditures	<u>153,650</u>	<u>159,531</u>	<u>(5,881)</u>
Excess of Revenue over Expenses	<u>\$ 37,509</u>	<u>\$ 56,013</u>	<u>\$ 18,504</u>

Nevada Applied Behavior Analysis Board
 Statements of Revenue and Expenditures – Budget and Actual
 Year Ended June 30, 2023 and the Period from Inception (October 1, 2021) to June 30, 2022

	From Inception (October 1, 2021) to June 30, 2022		
	Original and Final Budget	Actual Amounts Budgetary Basis	Variance - Favorable (Unfavorable)
Revenue			
Licensing fees	\$ -	\$ 135,212	\$ 135,212
Application fees	-	8,600	8,600
Exam and other fees	-	11,425	11,425
Total revenue	-	155,237	155,237
Expenditures			
Personnel services			
Salaries and wages	-	45,000	(45,000)
Payroll taxes	-	4,920	(4,920)
Medical benefits	-	5,000	(5,000)
Other employee benefits	-	-	-
Total personnel services	-	54,920	(54,920)
Travel	-	-	-
Operating			
Bank charges	-	275	(275)
Board compensation	-	7,500	(7,500)
Computer and internet	-	3,115	(3,115)
Insurance	-	394	(394)
Licensing software subscription	-	6,501	(6,501)
Office supplies	-	3,699	(3,699)
Postage and printing	-	165	(165)
Professional fees	-	18,100	(18,100)
Repairs and maintenance	-	-	-
Shared office facilities	-	5,372	(5,372)
Telephone	-	563	(563)
Training and conferences	-	775	(775)
Total expenditures	-	101,379	(101,379)
Other Financing Sources			
Transfers from other governments	-	300,468	300,468
Excess of Revenue over Expenses	\$ -	\$ 354,326	\$ 354,326

Nevada Applied Behavior Analysis Board
 Schedule of Changes in Other Postemployment Benefits (OPEB) Liability
 Year Ended June 30, 2023 and the Period from Inception (October 1, 2021) to June 30, 2022

Schedule of Changes in Other Postemployment Benefits Liability
 Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>
Proportion of the net OPEB liability	0.0005%	0.0000%
Proportionate share of the net OPEB liability	\$ 7,211	\$ -
Covered payroll	\$ 10,952	\$ -
Proportionate share of the net OPEB liability as a percentage of covered payroll	65.84%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	77.04%	77.04%

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

Nevada Applied Behavior Analysis Board

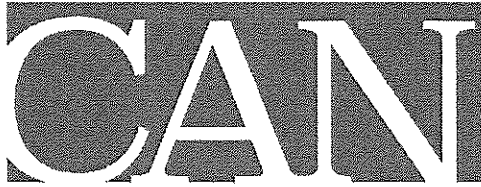
Schedule of Contributions

Year Ended June 30, 2023 and the Period from Inception (October 1, 2021) to June 30, 2022

Schedule of Contributions
Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>
Contractually required contributions	\$ 276	\$ -
Contractually required contribution	<u>(276)</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 10,952	\$ -
Contributions as a percentage of covered payroll	2.52%	0.00%

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



CHRISTIANSEN
ACCOUNTING NETWORK

**Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Members
Nevada Applied Behavior Analysis Board
Reno, Nevada

I 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 Nevada Applied Behavior Analysis Board (Board), as of and for the year ended June 30, 2023 and for the period from inception (October 1, 2021) to June 30, 2022, and the related notes to the financial statements, which collectively comprise the Nevada Applied Behavior Analysis Board' basic financial statements, and have issued my report thereon dated January 29, 2024.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Nevada Applied Behavior Analysis Board' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Nevada Applied Behavior Analysis Board' internal control. Accordingly, I do not express an opinion on the effectiveness of the Boards' 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.

My 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 my audits I did not identify any deficiencies in internal control that I 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 Nevada Applied Behavior Analysis Board financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 my 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.

Christman Accounting Network

Reno, Nevada
January 29, 2024