



**STATE OF NEVADA
LEGISLATIVE COUNSEL BUREAU
ANNUAL FINANCIAL REPORT
JUNE 30, 2022**

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Legislative Counsel Bureau (LCB), an agency of the State of Nevada (the State), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the LCB's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the LCB, as of June 30, 2022 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of LCB, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the LCB and do not purport to, and do not, present fairly the financial position of the State of Nevada, as of June 30, 2022, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8, the Legislative Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual on page 45, the Schedule of the Share of the Net Pension Liability and the Schedule of the Contributions – Public Employees' Retirement System of Nevada on pages 46 and 47, the Schedule of the Net Pension Liability and the Schedule of the Contributions - Legislators' Retirement System of Nevada on pages 48 and 49, the Schedule of Changes in Net Pension Liability Legislators' Retirement System of Nevada on page 50, the Schedule of LCB's Proportionate Share of the Net OPEB liability and the Schedule of LCB OPEB Contributions on page 52 and 53, and the Notes to Required Supplementary Information on page 54 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

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

A handwritten signature in black ink that reads "Crowe LLP". The signature is written in a cursive, flowing style.

Crowe LLP

Costa Mesa, California
October 26, 2022

**LEGISLATIVE COUNSEL BUREAU
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Management's Discussion and Analysis of the State of Nevada Legislative Counsel Bureau (LCB)'s financial performance is intended to be an objective and easily readable analysis of the LCB's financial activities for the year ended June 30, 2022. Because this analysis contains summarized financial information, it should be read in conjunction with the financial statements that follow.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Financial Statements for the LCB as a Whole

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

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

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

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

Fund Financial Statements

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

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

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

**LEGISLATIVE COUNSEL BUREAU
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Notes to the Financial Statements

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

Required Supplementary Information

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

FINANCIAL HIGHLIGHTS AND ANALYSIS OF THE LCB'S FUNDS

The assets plus deferred outflows of resources of the LCB exceeded its liabilities plus deferred inflows of resources at June 30, 2022, by \$7,717,473 (net position). The net position decreased by \$15,602,466 from prior year-end.

At the close of the fiscal year, the LCB's governmental funds reported combined ending fund balances of \$40,970,402. Of this amount, \$32,050,115 is committed for specific purposes by the Legislature, \$948,339 is nonspendable as it consists of inventory and prepayments, and \$7,971,948 is assigned for the general purposes of the LCB as determined by the Legislative Commission and the Interim Finance Committee. The elements of the LCB's fund balance are detailed in Note I to the financial statements. During the fiscal year, the fund balance of the Legislative Fund decreased by \$4,027,449 and the fund balance of the Contingency Fund decreased by \$18,607,383.

The Printing Office has existed as a State agency since the late 1800's. During the 2003 session of the Legislature, a discussion was held among various state agency managers concerning the status and future of the Printing Office. The elimination of the Printing Office was considered. However, the LCB's management concluded that the Printing Office was a valuable resource that provided a unique service to the LCB and other state agencies. Accordingly, effective July 1, 2003, the Legislature transferred the management of the Printing Office from the Executive Branch to the LCB. The Printing Office is accounted for as a separate proprietary fund, as it provides services to both the divisions of the LCB and to other State agencies. In fiscal year 2022, its sales and other revenues totaled \$2,449,972 and its operating expenses totaled \$2,501,610.

**LEGISLATIVE COUNSEL BUREAU
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Statement of Net Position

The following table presents condensed information concerning the Statement of Net Position for the years ended June 30, 2022 and 2021.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Assets						
Cash and						
cash equivalents	\$ 47,529,372	\$ 72,337,740	\$ 2,642,643	\$ 2,263,572	\$ 50,172,015	\$ 74,601,312
Other assets	1,193,478	7,747,564	272,983	543,439	1,466,461	8,291,003
Capital assets, net	22,031,385	20,515,777	2,139,128	2,274,472	24,170,513	22,790,249
Total assets	<u>70,754,235</u>	<u>100,601,081</u>	<u>5,054,754</u>	<u>5,081,483</u>	<u>75,808,989</u>	<u>105,682,564</u>
Deferred outflows of resources	<u>24,901,799</u>	<u>12,659,414</u>	<u>915,414</u>	<u>431,057</u>	<u>25,817,213</u>	<u>13,090,471</u>
Liabilities						
Current liabilities	8,750,896	17,619,437	123,637	111,766	8,874,533	17,731,203
Noncurrent liabilities	51,471,085	65,565,523	2,006,947	2,479,676	53,478,032	68,045,199
Total liabilities	<u>60,221,981</u>	<u>83,184,960</u>	<u>2,130,584</u>	<u>2,591,442</u>	<u>62,352,565</u>	<u>85,776,402</u>
Deferred inflows of resources	<u>30,413,782</u>	<u>9,344,732</u>	<u>1,142,382</u>	<u>331,962</u>	<u>31,556,164</u>	<u>9,676,694</u>
Net position						
Net investment						
in capital assets	20,331,880	18,583,777	2,139,128	2,274,472	22,471,008	20,858,249
Unrestricted	(15,311,609)	2,147,026	558,074	314,664	(14,753,535)	2,461,690
Total net position	<u>\$ 5,020,271</u>	<u>\$ 20,730,803</u>	<u>\$ 2,697,202</u>	<u>\$ 2,589,136</u>	<u>\$ 7,717,473</u>	<u>\$ 23,319,939</u>

The LCB's net position includes net investment in capital assets (e.g., land, buildings, and equipment). The principal items in this category are the Legislative Building, the Sedway Office Building and the State Printing Office Building. These assets are used to provide services to citizens; consequently, these assets are not available for future spending. The remainder of net position is considered unrestricted.

**LEGISLATIVE COUNSEL BUREAU
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Statement of Activities

The following schedule shows the changes in net position for the years ended June 30, 2022 and 2021.

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Program revenues						
Charges for services						
Publication & gift shop sales, other income, & reimbursements	\$ 502,833	\$ 642,627	\$ -	\$ -	\$ 502,833	\$ 642,627
Printing sales	-	-	2,449,972	2,742,726	2,449,972	2,742,726
General revenues						
Appropriations	46,067,332	96,057,461	-	-	46,067,332	96,057,461
Other	1,885,212	8,461,290	-	-	1,885,212	8,461,290
Total revenues	48,455,377	105,161,378	2,449,972	2,742,726	50,905,349	107,904,104
Expenses						
Programs						
Legislative	35,825,312	60,275,843	-	-	35,825,312	60,275,843
Interim	741,538	686,138	-	-	741,538	686,138
Printing	-	-	2,501,610	2,736,457	2,501,610	2,736,457
Reversions & allocations	27,429,879	68,296,336	-	-	27,429,879	68,296,336
Total expenses	63,996,729	129,258,317	2,501,610	2,736,457	66,498,339	131,994,774
Excess (deficiency) before transfers	(15,541,352)	(24,096,939)	(51,638)	6,269	(15,592,990)	(24,090,670)
Transfers	(159,704)	(160,395)	159,704	160,395	-	-
Change in net position	\$(15,701,056)	\$(24,257,334)	\$ 108,066	\$ 166,664	\$(15,592,990)	\$(24,090,670)

Program revenues include sales of publications, principally the reprinted Nevada Revised Statutes, of the Legal Division, in addition to various other revenues and reimbursements. General revenues include appropriations made to the Legislative and Contingency Funds for their recurring costs and for special projects and studies. Program expenses consist primarily of personnel costs of \$29,571,147 in fiscal year 2022 and \$50,399,545 in fiscal year 2021. The decrease of \$20,828,398 between the years reflects the additional regular and overtime personnel costs incurred in odd-numbered years in which Legislative Sessions are held. Reversions primarily represent funds remitted to the State of Nevada General Fund, while allocations primarily represent funds remitted to other State agencies upon approval of the Interim Finance Committee. Transfers are recorded internally between the LCB's funds.

BUDGETARY HIGHLIGHTS

The general appropriation act of the 2019 legislative session provided that the amounts appropriated to the individual divisions of the LCB could be transferred among the divisions with the approval of the Legislative Commission upon the recommendation of the Director of the LCB. No such transfers were required in fiscal year 2022.

Because the Legislature is in session every other year, prior year financials are not generally comparable. The most recent comparable period would be the fiscal year ended June 30, 2020.

**LEGISLATIVE COUNSEL BUREAU
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

CAPITAL ASSETS AND LONG-TERM OBLIGATIONS

At June 30, 2022, the LCB had invested \$24,005,799, net of accumulated depreciation, in a broad range of capital assets, as shown below. Depreciation of capital assets for fiscal year 2022 and fiscal year 2021 totaled \$1,803,835 and \$1,975,554, respectively.

Capital Assets Summary

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Capital assets being depreciated						
Buildings	\$ 37,068,471	\$ 34,987,892	\$ 744,617	\$ 744,617	\$ 37,813,088	\$ 35,732,509
Improvements to buildings & grounds	6,152,909	6,152,909	3,125,954	3,125,954	9,278,863	9,278,863
Furniture & equipment	9,329,434	8,292,616	3,985,917	3,985,917	13,315,351	12,278,533
Total Capital assets being depreciated	<u>52,550,814</u>	<u>49,433,417</u>	<u>7,856,488</u>	<u>7,856,488</u>	<u>60,407,302</u>	<u>57,289,905</u>
Accumulated depreciation	<u>(32,461,794)</u>	<u>(30,695,291)</u>	<u>(5,717,360)</u>	<u>(5,582,016)</u>	<u>(38,179,154)</u>	<u>(36,277,307)</u>
Capital assets, being depreciated, net	<u>20,089,020</u>	<u>18,738,126</u>	<u>2,139,128</u>	<u>2,274,472</u>	<u>22,228,148</u>	<u>21,012,598</u>
Land	<u>1,777,651</u>	<u>1,777,651</u>	<u>-</u>	<u>-</u>	<u>1,777,651</u>	<u>1,777,651</u>
Capital assets, net	<u>\$ 21,866,671</u>	<u>\$ 20,515,777</u>	<u>\$ 2,139,128</u>	<u>\$ 2,274,472</u>	<u>\$ 24,005,799</u>	<u>\$ 22,790,249</u>

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

At June 30, 2022, and as explained further in Note F to these statements, the LCB has a long-term obligation of \$1,555,000.

ECONOMIC FACTORS

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

CONTACTING THE LCB'S FINANCIAL MANAGEMENT

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

**LEGISLATIVE COUNSEL BUREAU
STATEMENT OF NET POSITION
JUNE 30, 2022**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 47,529,372	\$ 2,642,643	\$ 50,172,015
Receivables			
Reversions receivable	236,743	-	236,743
Other	9,557	11,461	21,018
Inventory			
Publications	103,701	-	103,701
Paper	231,308	260,269	491,577
Gift shop merchandise	108,622	-	108,622
Internal balances	(1,253)	1,253	-
Due from other governments	92	-	92
Deposits and prepayments	504,708	-	504,708
Total current assets	<u>48,722,850</u>	<u>2,915,626</u>	<u>51,638,476</u>
Noncurrent assets			
Leased assets, net of amortization	164,714	-	164,714
Capital assets not being depreciated	1,777,651	-	1,777,651
Capital assets being depreciated, net	20,089,020	2,139,128	22,228,148
Total noncurrent assets	<u>22,031,385</u>	<u>2,139,128</u>	<u>24,170,513</u>
Total assets	<u>70,754,235</u>	<u>5,054,754</u>	<u>75,808,989</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pension	23,311,582	837,191	24,148,773
Deferred outflows related to OPEB	1,590,217	78,223	1,668,440
Total deferred outflows of resources	<u>24,901,799</u>	<u>915,414</u>	<u>25,817,213</u>
LIABILITIES			
Current liabilities			
Accounts payable	689,884	26,640	716,524
Reversions payable	5,601,147	-	5,601,147
Accrued liabilities	1,461,417	67,751	1,529,168
Current portion of compensated absences	564,565	29,246	593,811
Current portion of lease liabilities	45,883	-	45,883
Current portion of long-term obligations	388,000	-	388,000
Total current liabilities	<u>8,750,896</u>	<u>123,637</u>	<u>8,874,533</u>
Noncurrent liabilities			
Accrued compensated absences	3,199,203	165,726	3,364,929
Lease liabilities	98,622	-	98,622
Long-term obligations	1,167,000	-	1,167,000
Net pension liability	29,875,092	896,464	30,771,556
Net OPEB liability	17,131,168	944,757	18,075,925
Total noncurrent liabilities	<u>51,471,085</u>	<u>2,006,947</u>	<u>53,478,032</u>
Total liabilities	<u>60,221,981</u>	<u>2,130,584</u>	<u>62,352,565</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pension	29,713,597	1,105,281	30,818,878
Deferred inflows related to OPEB	700,185	37,101	737,286
Total deferred inflows of resources	<u>30,413,782</u>	<u>1,142,382</u>	<u>31,556,164</u>
NET POSITION			
Net investment in capital assets	20,331,880	2,139,128	22,471,008
Unrestricted	(15,311,609)	558,074	(14,753,535)
Total net position	<u>\$ 5,020,271</u>	<u>\$ 2,697,202</u>	<u>\$ 7,717,473</u>

The accompanying notes are an integral part of this statement.

**LEGISLATIVE COUNSEL BUREAU
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

	Program Revenues		Net (Expenses) Revenues and Changes in Net Position		Total
	Expenses	Charges for Services	Governmental Activities	Business-type Activities	
Functions/Programs					
Governmental activities:					
Legislative Commission	\$ 100,622	\$ -	\$ (100,622)	\$ -	\$ (100,622)
Legislative Session	2,187,494	2,906	(2,184,588)	-	(2,184,588)
Interim Finance Committee	61,570	-	(61,570)	-	(61,570)
Administrative Division	10,865,817	39,901	(10,825,916)	-	(10,825,916)
Audit Division	3,729,404	-	(3,729,404)	-	(3,729,404)
Legal Division	6,882,520	458,026	(6,424,494)	-	(6,424,494)
Fiscal Analysis Division	3,721,851	-	(3,721,851)	-	(3,721,851)
Research Division	4,122,181	-	(4,122,181)	-	(4,122,181)
Interim Nevada Legislature	741,538	-	(741,538)	-	(741,538)
Special Projects and Studies	819,658	2,000	(817,658)	-	(817,658)
Publication cost of sales, distributions and disposals	1,457,189	-	(1,457,189)	-	(1,457,189)
Interest on long-term obligations and leases	49,640	-	(49,640)	-	(49,640)
Unallocated depreciation and amortization expense	1,827,366	-	(1,827,366)	-	(1,827,366)
Loss on disposal of assets	9,476	-	(9,476)	-	(9,476)
Reversions to State of Nevada			-		
General Fund	5,601,147	-	(5,601,147)	-	(5,601,147)
Allocations to			-		
State of Nevada funds	21,828,732	-	(21,828,732)	-	(21,828,732)
Total governmental activities	64,006,205	502,833	(63,503,372)	-	(63,503,372)
Business-type activities:					
Printing	2,501,610	2,449,972	-	(51,638)	(51,638)
Total	\$ 66,507,815	\$ 2,952,805	(63,503,372)	(51,638)	(63,555,010)
General Revenues					
State of Nevada General and Highway Funds appropriations			46,067,332	-	46,067,332
Reversions and reimbursements from State of Nevada funds			1,885,212	-	1,885,212
Transfers			(159,704)	159,704	-
Total general revenues and transfers			47,792,840	159,704	47,952,544
CHANGE IN NET POSITION					
			(15,710,532)	108,066	(15,602,466)
Net position, beginning			20,730,803	2,589,136	23,319,939
Net position, ending			\$ 5,020,271	\$ 2,697,202	\$ 7,717,473

The accompanying notes are an integral part of this statement.

**LEGISLATIVE COUNSEL BUREAU
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	<u>Legislative Fund</u>	<u>Contingency Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 28,241,600	\$ 19,287,772	\$ 47,529,372
Receivables			
Due from State of Nevada	92	236,743	236,835
Other	9,557	-	9,557
Inventory			
Publications	103,701	-	103,701
Paper	231,308	-	231,308
Gift shop merchandise	108,622	-	108,622
Deposits and prepayments	504,708	-	504,708
Total assets	<u>\$ 29,199,588</u>	<u>\$ 19,524,515</u>	<u>\$ 48,724,103</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 686,604	\$ 3,280	\$ 689,884
Due to other funds	1,253	-	1,253
Reversions payable	5,000	5,596,147	5,601,147
Accrued liabilities	1,457,989	3,428	1,461,417
Total liabilities	<u>2,150,846</u>	<u>5,602,855</u>	<u>7,753,701</u>
Fund balances			
Nonspendable	948,339	-	948,339
Committed	18,128,455	13,921,660	32,050,115
Assigned	7,971,948	-	7,971,948
Total fund balances	<u>27,048,742</u>	<u>13,921,660</u>	<u>40,970,402</u>
Total liabilities and fund balances	<u>\$ 29,199,588</u>	<u>\$ 19,524,515</u>	<u>\$ 48,724,103</u>

The accompanying notes are an integral part of this statement.

**LEGISLATIVE COUNSEL BUREAU
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

Total fund balances - per governmental funds balance sheet \$ 40,970,402

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

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

Land	\$ 1,777,651	
Buildings and improvements	43,221,380	
Furniture and equipment	9,329,434	
Accumulated depreciation	<u>(32,461,794)</u>	21,866,671

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

Leased asset at historical cost	188,245	
Accumulated amortization	<u>(23,531)</u>	164,714

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

Those liabilities consist of:

Accrued compensated absences	(3,763,768)	
Lease liabilities	(144,505)	
Long term obligations	(1,555,000)	
Net pension liability	(29,875,092)	
Net OPEB liability	<u>(17,131,168)</u>	(52,469,533)

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

Deferred outflows of resources related to pensions	23,311,582	
Deferred outflows of resources related to OPEB	1,590,217	
Deferred inflows of resources related to pensions	(29,713,597)	
Deferred inflows of resources related to OPEB	<u>(700,185)</u>	<u>(5,511,983)</u>

Net position of governmental activities \$ 5,020,271

The accompanying notes are an integral part of this statement.

LEGISLATIVE COUNSEL BUREAU
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Legislative Fund	Contingency Fund	Total Governmental Funds
Revenues			
Publication and gift shop sales	\$ 239,142	\$ -	\$ 239,142
Other income and reimbursements	263,691	-	263,691
Intergovernmental			
State of Nevada General and Highway			
Funds appropriations	37,425,009	8,642,323	46,067,332
Reversions and reimbursements from			
State of Nevada funds	1,648,469	236,743	1,885,212
Total revenues	39,576,311	8,879,066	48,455,377
Expenditures			
Current			
Legislative Commission	100,622	-	100,622
Legislative Session	2,565,947	-	2,565,947
Interim Finance Committee	-	61,570	61,570
Administrative Division	12,371,318	-	12,371,318
Audit Division	4,270,278	-	4,270,278
Legal Division	8,149,428	-	8,149,428
Fiscal Analysis Division	4,332,381	-	4,332,381
Research Division	4,867,546	-	4,867,546
Interim Nevada Legislature	864,019	-	864,019
Special Projects and Studies	825,743	-	825,743
Publication cost of sales, distributions			
and disposals	1,457,189	-	1,457,189
Capital outlay	3,352,450	-	3,352,450
Debt service			
Long-term obligation principal and lease payments	420,740	-	420,740
Long-term obligation and lease interest payments	49,640	-	49,640
Intergovernmental			
Reversions to State of Nevada General Fund	5,000	5,596,147	5,601,147
Allocations to other State of Nevada funds	-	21,828,732	21,828,732
Total expenditures	43,632,301	27,486,449	71,118,750
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(4,055,990)	(18,607,383)	(22,663,373)
Other financing sources (uses)			
Lease liabilities incurred	188,245	-	188,245
Transfers out	(159,704)	-	(159,704)
Total other financing sources (uses)	28,541	-	28,541
NET CHANGE IN FUND BALANCES	(4,027,449)	(18,607,383)	(22,634,832)
Fund balances, July 1	31,076,191	32,529,043	63,605,234
Fund balances, June 30	\$ 27,048,742	\$ 13,921,660	\$ 40,970,402

The accompanying notes are an integral part of this statement.

**LEGISLATIVE COUNSEL BUREAU
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT
OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Net change in fund balances - total governmental funds \$ (22,634,832)

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

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets exceeding the capitalization threshold is allocated over their estimated useful lives as depreciation expense and the cost of leased assets are amortized over the life of the lease. In the current period, these amounts are:

Capital expenditures	\$ 3,164,205	
Depreciation expense	(1,803,835)	
Leased asset expenditures	188,245	
Leased asset amortization expense	<u>(23,531)</u>	1,525,084

Losses in the statement of activities that do not consume current financial resources are not reported in governmental funds (9,476)

Repayment of long-term obligations and lease payments are reported as an expenditures in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 420,740

The incurment of lease liabilities provides current financial resources to governmental funds but does not have any effect on net position. (188,245)

Some expenses reported in the statement of activities do not require the use of current financial resources and are therefore not reported as expenditures in governmental funds. In the current period, these amounts are:
Change in compensated absences 1,318,677

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

Pension contributions	3,389,288	
Pension income	<u>246,229</u>	3,635,517

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

OPEB contributions	470,232	
OPEB expense	<u>(248,229)</u>	<u>222,003</u>

Change in net position of governmental activities \$ (15,710,532)

The accompanying notes are an integral part of this statement.

**LEGISLATIVE COUNSEL BUREAU
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2022**

	Printing Office Fund
ASSETS	
Current assets	
Cash and cash equivalents	\$ 2,642,643
Receivables	
Other	11,461
Inventories	260,269
Due from other funds	1,253
Total current assets	2,915,626
Noncurrent assets	
Capital assets, net of accumulated depreciation	2,139,128
Total assets	5,054,754
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pension	837,191
Deferred outflows related to OPEB	78,223
Total deferred outflows of resources	915,414
Total assets and deferred outflows of resources	5,970,168
LIABILITIES	
Current liabilities	
Accounts payable	26,640
Accrued liabilities	67,751
Compensated absences due within one year	29,246
Total current liabilities	123,637
Noncurrent liabilities	
Compensated absences due after one year	165,726
Pension benefit liability	896,464
Net OPEB liability	944,757
Total noncurrent liabilities	2,006,947
Total liabilities	2,130,584
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pension	1,105,281
Deferred inflows related to OPEB	37,101
Total deferred inflows of resources	1,142,382
Total liabilities and deferred inflows of resources	3,272,966
NET POSITION	
Net investment in capital assets	2,139,128
Unrestricted	558,074
Total net position	\$ 2,697,202

The accompanying notes are an integral part of this statement.

**LEGISLATIVE COUNSEL BUREAU
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	Printing Office Fund
Operating revenues	
Printing sales	\$ 2,431,951
Recycling and other income	18,021
Total operating revenues	2,449,972
 Operating expenses	
Personnel costs	1,596,434
Paper and other printing supplies	412,064
Maintenance and repairs	14,859
Utilities	64,449
Software purchased and maintained	101,032
State-owned building rent	129,704
Operating supplies	3,101
Insurance	6,285
Other operating expenses	38,338
Depreciation and amortization	135,344
Total operating expenses	2,501,610
Operating income (loss) before transfers	(51,638)
 Transfers in	159,704
CHANGE IN NET POSITION	108,066
 Net position, July 1	2,589,136
 Net position, June 30	\$ 2,697,202

The accompanying notes are an integral part of this statement.

**LEGISLATIVE COUNSEL BUREAU
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	Printing Office Fund
Cash flows from operating activities:	
Receipts from customers	\$ 1,064,519
Receipts from interfund services provided	1,377,661
Payments to suppliers	(793,651)
Payments to employees	(1,739,391)
Net cash used by operating activities	(90,862)
Cash flows from noncapital financing activities:	
Transfers to other funds	310,229
Transfers from other funds	159,704
Net cash provided by noncapital financing activities	469,933
NET INCREASE IN CASH AND CASH EQUIVALENTS	379,071
Cash and cash equivalents, July 1	2,263,572
Cash and cash equivalents, June 30	\$ 2,642,643
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	\$ (51,638)
Adjustments to reconcile operating income (loss) to net cash used by operating activities:	
Depreciation and amortization	135,344
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
Receivables - other	(7,792)
Inventories	(31,981)
Accounts payable	8,162
Accrued liabilities	2,720
Compensated absences	6,590
Deferred outflows of resources related to pension	(508,441)
Pension benefit liability	(470,932)
Deferred inflows of resources related to pension	839,220
Deferred outflows related to OPEB	24,084
Net OPEB liability	(7,398)
Deferred inflows related to OPEB	(28,800)
Net cash used by operating activities	\$ (90,862)

The accompanying notes are an integral part of this statement.

**LEGISLATIVE COUNSEL BUREAU
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE A - SUMMARY OF ACCOUNTING POLICIES

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

1. Reporting Entity

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

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

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

Funds

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

Governmental Funds

a. **Legislative Fund**

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

**LEGISLATIVE COUNSEL BUREAU
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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

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

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

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

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

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

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

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

b. Contingency Fund

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

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

**LEGISLATIVE COUNSEL BUREAU
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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

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

Proprietary Fund (Enterprise)

c. Printing Office Fund

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

2. Government-wide and Fund Financial Statements

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

a. Government-wide Financial Statements

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

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

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

b. Fund Financial Statements

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

LEGISLATIVE COUNSEL BUREAU
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

c. Reconciliation of Government-wide and Fund Financial Statements

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

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

3. Measurement Focus

a. Government-wide Financial Statements

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

b. Fund Financial Statements

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

4. Basis of Accounting

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

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

**LEGISLATIVE COUNSEL BUREAU
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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

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

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

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

5. Cash and Cash Equivalents

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

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

6. Inventory

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

7. Deposits and Prepayments

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

**LEGISLATIVE COUNSEL BUREAU
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

8. Deferred Outflows/Inflows of Resources

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

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

9. Capital Assets

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

Capital assets with an initial, individual cost of \$5,000 or more for furniture and equipment, or \$500,000 or more for buildings and improvements, and a useful life of more than one year, are capitalized. All such assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives, and equipment purchases with an individual cost less than \$5,000, are not capitalized.

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

Land	Not depreciated
Buildings and building improvements	40 years
Improvements to grounds	20 years
Furniture and equipment	3 to 10 years

10. Leased Assets

The LCB records leased assets as required by GASB Statement No. 87 at an amount equal to the initial measurement of the related lease liability, which is then amortized using the effective interest method over the life of the lease.

**LEGISLATIVE COUNSEL BUREAU
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

11. Compensated Absences

LCB employees earn annual vacation leave at the following rates:

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

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

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

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

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

12. Pensions

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

13. Postemployment Benefits Other Than Pensions (OPEB)

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

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14. Noncurrent Liabilities

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

15. Fund Balance

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

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

16. Net Position

In the government-wide and proprietary financial statements, net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets consists of capital assets, reduced by accumulated depreciation and the outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets, if any. Restricted net position consists of net position with constraints placed on its use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation. Unrestricted net position is net position not meeting the definitions of the other categories.

17. Budget Procedures

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

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

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NOTE B - CASH AND CASH EQUIVALENTS

1. Cash and Cash Equivalents

The following schedule summarizes cash and cash equivalents for the Legislative, Contingency, and Printing Office Funds at June 30, 2022:

	Cash and Cash Equivalents
Cash on hand	\$ 2,000
Cash in bank	
Wells Fargo, Nevada	3,783,731
Cash with State Treasurer	46,386,284
	\$ 50,172,015

Custodial Credit Risk

All deposits other than those held by the State Treasurer are primarily on deposit with a single financial institution and are carried at cost. The carrying amount of cash in the bank at June 30, 2022 is \$3,783,731. The bank balance is \$4,146,934. The LCB participates in the Nevada State Collateral Pool for public fund deposits. Depository banks are required to place acceptable securities of no less than 102% of the market value of the total deposits of public entities in Nevada with a third party custodian. The collateral pool is administered and monitored by the Treasurer. Due to its participation in the Nevada State Collateral Pool, the LCB's deposits were fully insured and collateralized, and as such, were not exposed to any custodial credit risk.

NOTE C - RECEIVABLES

At June 30, 2022, receivables consisted of the following:

	Legislative Fund	Contingency Fund	Printing Office Fund	Total
Reversions receivable	\$ -	\$ 236,743	\$ -	\$ 236,743
Other	9,557	-	11,461	21,018
	\$ 9,557	\$ 236,743	\$ 11,461	\$ 257,761

The allowance for doubtful accounts amounted to \$0 at June 30, 2022 as the majority of receivables are due from other State agencies and are considered collectible.

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NOTE D - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022
<u>Governmental activities</u>				
Capital assets not being depreciated				
Land	\$ 1,777,651	\$ -	\$ -	\$ 1,777,651
Capital assets being depreciated				
Buildings	34,987,892	2,080,579	-	37,068,471
Improvements to buildings and grounds	6,152,909	-	-	6,152,909
Furniture and equipment	8,292,616	1,083,626	(46,808)	9,329,434
Total capital assets being depreciated	49,433,417	3,164,205	(46,808)	52,550,814
Less accumulated depreciation				
Buildings	(21,017,712)	(821,300)	-	(21,839,012)
Improvements to buildings and grounds	(4,640,628)	(130,396)	-	(4,771,024)
Furniture and equipment	(5,036,951)	(852,139)	37,332	(5,851,758)
Total accumulated depreciation	(30,695,291)	(1,803,835)	37,332	(32,461,794)
Total capital assets being depreciated, net	18,738,126	1,360,370	(9,476)	20,089,020
Governmental activities capital assets, net	<u>\$ 20,515,777</u>	<u>\$ 1,360,370</u>	<u>\$ (9,476)</u>	<u>\$ 21,866,671</u>
<u>Business-type activities</u>				
Capital assets being depreciated				
Buildings	\$ 744,617	\$ -	\$ -	\$ 744,617
Improvements to buildings and grounds	3,125,954	-	-	3,125,954
Furniture and equipment	3,985,917	-	-	3,985,917
Total capital assets being depreciated	7,856,488	-	-	7,856,488
Less accumulated depreciation				
Buildings	(744,617)	-	-	(744,617)
Improvements to buildings and grounds	(1,135,750)	(78,260)	-	(1,214,010)
Furniture and equipment	(3,701,649)	(57,084)	-	(3,758,733)
Total accumulated depreciation	(5,582,016)	(135,344)	-	(5,717,360)
Business-type activities capital assets, net	<u>\$ 2,274,472</u>	<u>\$ (135,344)</u>	<u>\$ -</u>	<u>\$ 2,139,128</u>

The LCB's capital assets serve all functional activities. Therefore, depreciation is unallocated and not charged to specific functions.

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NOTE E - COMPENSATED ABSENCES

For Governmental Fund Types:

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

For Proprietary Fund Types:

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

Compensated absences activity for the fiscal year ended June 30, 2022 was as follows:

	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2022</u>	<u>Due Within One Year</u>
Governmental activities					
Compensated absences	\$ 5,082,445	\$ 2,716,206	\$ (4,034,883)	\$ 3,763,768	\$ 564,565
Business-type activities					
Compensated absences	\$ 188,382	\$ 103,188	\$ (96,598)	\$ 194,972	\$ 29,246

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

NOTE F – LEASED ASSETS AND LEASE LIABILITIES

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

Leased asset activity for the fiscal year ended June 30, 2022 was as follows:

	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2022</u>
<u>Governmental activities</u>				
Leased assets				
Equipment	\$ -	\$ 188,245	\$ -	\$ 188,245
Less accumulated amortization				
Equipment	-	(23,531)	-	\$ (23,531)
Leased assets, net	<u>\$ -</u>	<u>\$ 164,714</u>	<u>\$ -</u>	<u>\$ 164,714</u>

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The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2022 were as follows:

Year Ending June 30,	Principal Payments	Interest Payments	Total
2023	\$ 45,883	\$ 4,607	\$ 50,490
2024	48,132	2,358	50,490
2025	50,490	-	50,490
	<u>\$ 144,505</u>	<u>\$ 6,965</u>	<u>\$ 151,470</u>

The following table illustrates the change in lease liabilities during the year ended June 30, 2022:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
<u>Governmental activities</u>					
Lease liabilities	\$ -	\$ 188,245	\$ (43,740)	\$ 144,505	\$ 45,883

NOTE G – LONG-TERM OBLIGATIONS

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

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

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

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

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The Project was completed in January 2008. The LCB has recorded a long-term obligation for the base rent owed that is being accounted for and paid from the Legislative Fund. The building is occupied by divisions of the LCB and the Printing Office. The building's original cost was \$5,374,894 and accumulated depreciation as of June 30, 2022 totaled \$1,948,421. In August 2016, the NRPC refinanced the State of Nevada Lease Revenue Certificates of Participation. The LCB's base rent payments were adjusted to coincide with the refinance. The adjusted rent payments accelerated the reduction of principal while keeping the payment amounts materially the same.

The future minimum long-term obligation payments and the net present value of these payments as of June 30, 2022 were as follows:

Year Ending June 30,	Principal Payments	Interest Payments	Total
2023	\$ 388,000	\$ 34,522	\$ 422,522
2024	393,000	25,188	418,188
2025	402,000	17,182	419,182
2026	372,000	8,258	380,258
	<u>\$ 1,555,000</u>	<u>\$ 85,150</u>	<u>\$ 1,640,150</u>

The following table illustrates the change in long-term obligations during the year ended June 30, 2022:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
<u>Governmental activities</u>					
Long-term obligations	\$ 1,932,000	\$ -	\$ (377,000)	\$ 1,555,000	\$ 388,000

NOTE H – INTERFUND ACCOUNT BALANCES AND TRANSFERS

Interfund transfers are used to move revenues from the fund that statute or budget requires to collect them to the funds that statute or budget requires to expend them. During the year ended June 30, 2022, the Legislative Fund transferred \$159,704 to the Printing Office Fund. See further description in Note L.

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NOTE I - FUND BALANCE

At June 30, 2022, the fund balance of governmental funds consisted of the following items:

	Legislative Fund	Contingency Fund	Total Governmental Funds
<u>Nonspendable:</u>			
Inventory	\$ 443,631	\$ -	\$ 443,631
Deposits and prepayments	504,708	-	504,708
	<u>948,339</u>	<u>-</u>	<u>948,339</u>
<u>Committed:</u>			
Division reservations	4,782,291	-	4,782,291
Youth Forum	29,441	-	29,441
Single Audit	46,139	-	46,139
Nevada Silver Haired Legislative Forum	3,851	-	3,851
Health Care	79,381	-	79,381
uLegislate	1,750	-	1,750
Senate	500	-	500
AB 489	13,095,895	-	13,095,895
AB 494	89,207	-	89,207
Non-Highway Fund Activities	-	10,537,241	10,537,241
AB 468 Dept. of Motor Vehicles	-	334,796	334,796
AB 494 Dept. of Employment Training & Rehabilitation	-	1,261,714	1,261,714
AB 464 Taxation	-	149,841	149,841
Highway Activities	-	1,638,068	1,638,068
	<u>18,128,455</u>	<u>13,921,660</u>	<u>32,050,115</u>
<u>Assigned:</u>			
LCB operations	7,971,948	-	7,971,948
	<u>\$ 27,048,742</u>	<u>\$ 13,921,660</u>	<u>\$ 40,970,402</u>

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NOTE J - DEFINED BENEFIT PENSION PLAN

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

The aggregate amount of recognized pension income for the period associated with the net pension liability for both plans is \$253,546 (\$189,456 from PERS and \$64,090 from LRS). Other aggregate amounts related to the pension plans are displayed separately in the financial statements.

1. Public Employees Retirement System of the State of Nevada

Plan Description

PERS administers a cost-sharing, multiple-employer, defined benefit public employees' retirement system. PERS was established by the Nevada Legislature in 1947, effective July 1, 1948. PERS is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

Benefits Provided

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

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

Vesting

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

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The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Members become fully vested as to benefits upon completion of five years of service.

Contributions

The authority for establishing and amending the obligation to make contributions and member contribution rates, is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. Contributions are shared equally by employer and employee. Employees can take a reduced salary and have contributions made by the employer (EPC) or can make contributions by a payroll deduction matched by the employer.

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

PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund PERS on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary.

For the fiscal years ended June 30, 2022 and 2021, the Statutory Employer/employee matching rate was 15.25% and the Employer-pay contribution (EPC) rate was 29.25%. The LCB's contributions were \$3,439,278 and \$3,610,254 for the years ended June 30, 2022 and 2021, respectively.

PERS Investment Policy

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

The following was the PERS Board adopted policy target asset allocation as of June 30, 2021:

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

As of June 30, 2021, PERS' long-term inflation assumption was 2.50%.

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Net Pension Liability

At June 30, 2022, the LCB reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The LCB's proportion of the net pension liability was based on the LCB's share of contributions in the PERS pension plan relative to the total contributions of all participating PERS employers and members. At June 30, 2021, the LCB's proportion was .34488%, which represents an increase of 0.03153% from the proportion measured as of June 30, 2020.

Pension Liability Discount Rate Sensitivity

The following presents the net pension liability of the LCB as of June 30, 2021, calculated using the discount rate of 7.25%, as well as what the LCB's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current discount rate:

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
LCB's proportionate share of net pension liability	\$ 62,617,764	\$ 31,450,915	\$ 5,740,815

Pension Plan Fiduciary Net Position

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

Actuarial Assumptions

The LCB's net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation Rate	2.50%
Payroll Growth	3.50%, including inflation
Investment Rate of Return	7.25%, including inflation
Productivity Pay Increase	0.50%
Projected Salary Increases	4.20% to 9.10%, depending on service; Rates include inflation and productivity increases
Consumer Price Index	2.75%
Other Assumptions	Same as those used in the June 30, 2021 funding actuarial valuation

Mortality rates for healthy were based on the Headcount-Weighted RP-2014 Healthy Annuitant Table projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries. For ages less than 50, mortality rates are based on the Headcount-Weighted RP-2014 Employee Mortality Tables. Those mortality rates are adjusted by the ratio of the mortality rate for healthy annuitants at age 50 to the mortality rate for employees at age 50. The mortality rates are then projected to 2020 with Scale MP-

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2016. Mortality rates for disabled were based on the Headcount-Weighted RP-2014 Disabled Retiree Table, set forward four years. Mortality rates for pre-retirement were based on the Headcount-Weighted RP-2014 Employee Table, projected to 2020 with Scale MP-2016. The additional projection of 6 years is a provision made for future mortality improvement.

Actuarial assumptions used in the June 30, 2021 valuation were based on the results of the experience study for the period July 1, 2016 through June 30, 2020.

The discount rate used to measure the total pension liability was 7.25% as of June 30, 2021. 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, 2021, 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, 2021.

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

For the year ended June 30, 2022, the LCB recognized pension income of \$189,456. At June 30, 2022, the LCB reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,483,806	\$ 221,340
Net difference between projected and actual earnings on pension plan investments	-	25,662,945
Changes in the LCB's proportionate share	6,663,111	4,200,438
Changes of assumptions and other inputs	10,442,246	-
LCB contributions subsequent to the measurement date	3,439,764	-
	\$ 24,028,927	\$ 30,084,723

Deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date in the amount of \$3,439,764 will be recognized as a reduction of the net pension liability in the year ending June 30, 2023.

The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) is 6.14 years.

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

Year ended June 30:	
2023	\$ (3,135,498)
2024	(3,149,723)
2025	(2,987,456)
2026	(3,637,817)
2027	2,986,982
Thereafter	427,952

Additional Information

The PERS Annual Comprehensive Financial Report is available on the PERS website at www.nvpers.org under Quick Links – Publications.

2. Legislators’ Retirement System of the State of Nevada

Plan Description

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

Membership

At June 30, 2021, the LRS membership consisted of:

Active members	27
Inactive vested members	12
Inactive non-vested members	37
Retired members	55
Survivors and beneficiaries	<u>15</u>
Total	146

Benefits Provided

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

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Vesting

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

Contributions

The employee contribution of 15% of compensation is paid by the employee only when the Legislature is in session, as required by statute. The Legislature holds sessions every two years. Prior to 1985 the employee contributions were matched by the employer. The 1985 Legislators' Retirement Act includes Nevada Revised Statute (NRS) 218C.390(2) which states "the Director of the Legislative Counsel LCB shall pay the Board from the Legislative Fund an amount as the contribution of the State of Nevada as employer which is actuarially determined to be sufficient to provide LRS with enough money to pay all benefits for which LRS will be liable." The actuarially determined employer contributions were \$82,846 and \$82,846 for the years ended June 30, 2022 and 2021, respectively.

LRS Investment Policy

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

The following was the LRS Board adopted policy target asset allocation as of June 30, 2021:

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

As of June 30, 2021, LRS's long-term inflation assumption was 2.50%.

Net Pension Asset

The June 30, 2022 net pension asset was measured as of June 30, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The LCB's net pension asset was based on the LCB's contributions in LRS pension plan.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Pension Liability Discount Rate Sensitivity

The following presents the net pension asset of the LCB as of June 30, 2021, calculated using the discount rate of 7.25%, as well as what the LCB's net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current discount rate:

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Net pension asset	\$ (229,869)	\$ (679,359)	\$ (1,062,184)

Pension Plan Fiduciary Net Position

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

Actuarial Assumptions

The LCB's net pension asset was measured as of June 30, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation Rate	2.50%
Payroll Growth	None assumed
Investment Rate of Return	7.25%
Productivity Pay Increase	None assumed
Projected Salary Increases	2.50%
Consumer Price Index	2.75%
Other Assumptions	Same as those used in the June 30, 2021 funding actuarial valuation

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2016, through June 30, 2020.

The discount rate used to measure the total pension liability was 7.25% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members will be made at the contractually required rates, actuarially determined. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumption, the pension plan's fiduciary net position at June 30, 2021, was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2021.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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

For the year ended June 30, 2022, the LCB recognized pension income of \$64,090. At June 30, 2022, the LCB reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 37,000	\$ -
Net difference between projected and actual earnings on pension plan investments	-	734,155
LCB contributions subsequent to the measurement date	82,846	-
	\$ 119,846	\$ 734,155

Deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date in the amount of \$82,846 will be recognized as either a reduction of the net pension liability or an increase to the net pension asset in the year ending June 30, 2023.

The average of the expected remaining service lives of all employees provided with pensions through LRS (active and inactive employees) is 1.16 years.

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

Year ended June 30		
2023	\$	(166,213)
2024		(174,303)
2025		(173,731)
2026		(182,908)
Thereafter		-

Changes in the Net Pension Asset (LRS)

The LCB's net pension asset for LRS as of June 30, 2022 of \$679,359 was measured as of June 30, 2021, and was determined by an actuarial valuation as of that date.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

The following table presents the changes in the LRS net pension asset during the year ended June 30, 2021:

Total pension liability at June 30, 2021	<u>\$ 4,841,509</u>
Service cost	31,699
Interest	349,718
Change of benefit terms	-
Difference between expected and actual experience	(119,503)
Change of assumptions	268,252
Benefit payments, including refunds	<u>(420,603)</u>
Net change in total pension liability	<u>109,563</u>
Total pension liability at June 30, 2022 (a)	<u><u>\$ 4,951,072</u></u>
Plan fiduciary net position at June 30, 2021	<u>\$ 4,694,337</u>
Contributions - employer	82,846
Contributions - employee	19,182
Net investment income	1,254,669
Benefit payments, including refunds	(420,603)
Administration expenses	N/A
Other	-
Net change in plan fiduciary net position	<u>936,094</u>
Plan fiduciary net position at June 30, 2022 (b)	<u><u>\$ 5,630,431</u></u>
Net pension liability (asset) at June 30, 2022 (a-b)	<u><u>\$ (679,359)</u></u>
Plan fiduciary net position as a percentage of total pension liability	113.72%
Covered-employee payroll	N/A
Net pension liability as a percentage of covered employee payroll	N/A

Additional Information

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

NOTE K – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Descriptions:

The employees of the LCB participate in a cost-sharing, multiple-employer, defined benefit postemployment plan administered by the Board of the Public Employees' Benefits Program of the State of Nevada (PEBP). NRS 287.023 provides officers and employees eligible to be covered by any group insurance, plan of benefits or medical and hospital service established pursuant to NRS 287 the option upon retirement to cancel or continue any such coverage. The cost to administer the program is financed through the contributions and investment earnings of the plan. The PEBP Board is granted the authority to establish and amend the benefit terms of the program. (NRS 287.043) PEBP issues a publicly available

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

financial report that includes financial statements and the required supplementary information for the plan. That report may be obtained from Public Employees' Benefits Program, 901 South Stewart Street, Suite 1001, Carson City, NV 89701.

Benefits Provided:

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

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

- Was initially hired prior to January 1, 2010 and has at least five years of public service: or
- Was initially hired on or after January 1, 2010, but before January 1, 2012 and has at least fifteen years of public service: or
- Was initially hired on or after January 1, 2010, but before January 1, 2012 and has at least five years of public service and has a disability: or

Any PEBP covered retiree whose last employer was not the State and who has been continuously covered under PEBP as a retiree since November 30, 2008.

Contributions:

The State allocates funds for payment of current and future post-employment benefits other than pensions as a percentage of budgeted payrolls to all State agencies. The required contribution rate for employers, as a percentage of covered payroll, for the fiscal year ended June 30, 2021 was 2.36%. For the year ended June 30, 2022, these payments totaled \$470,232 for the Legislative Fund and \$25,659 for the Printing Office Fund. Retirees are included in the insured pool with active employees. Therefore, the LCB also paid an implicit subsidy to benefit the plan that totaled \$155,324 for the Legislative Fund and \$8,476 for the Printing Office Fund.

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

The LCB's net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by actuarial valuation as of January 1, 2020. The LCB's proportion of the net OPEB liability was based on the LCB's share of contributions to PEBP relative to the total contributions of all participating employers. At June 30, 2021, the LCB's proportion was 1.1661%, which represents a decrease of 0.0455% from the proportion measured as of June 30, 2020.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

For the year ended June 30, 2022, the LCB recognized OPEB expense of \$889,987. At June 30, 2022, the LCB reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 652,620
Net difference between projected and actual earnings on pension plan investments	-	6,357
Changes of assumptions and other inputs	1,008,750	78,309
LCB contributions subsequent to the measurement date and implicit subsidy paid	659,690	-
	\$ 1,668,440	\$ 737,286

Deferred outflows of resources related to OPEB resulting from LCB contributions subsequent to the measurement date and the implicit subsidy paid in the amount of \$659,690 will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,		
2023	\$	58,895
2024		125,796
2025		87,782
2026		(1,009)
Thereafter		-

Actuarial Methods and Assumptions:

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

Actuarial Cost Method	Entry Age Normal Level % of Pay
Asset Valuation Method	Market Value of Assets
Inflation Rate	2.50%
Salary Increases	0.50% productivity pay increase, 2.73% average promotional and merit salary increase
Investment Rate of Return	2.21%
Healthcare Cost Trend Rates	6.25% initial, 4.50% ultimate

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

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

The actuarial assumptions used in the January 1, 2020 valuation were based upon certain demographic and other actuarial assumptions as recommended by the actuary, in conjunction with the State and guidance from the Governmental Accounting Standards Board statement.

Discount Rate:

The discount rate basis under Statement No. 75 of the Governmental Accounting Standards Board is required to be consistent with a 20-Year Municipal Bond Index. The Bond Buyer General Obligation 20-Bond Municipal Bond Index is used for the determination of the discount rate. The assets in the trust as of June 30, 2021 are less than the expected benefit payments in the first year; therefore, the crossover period is assumed to be in the first year, which provides additional support for continuing the discount rate at the 20-Year Municipal Bond Index rate. The discount rate used to measure the total OPEB liability at June 30, 2021 was 2.16%, which represents a decrease of .05% from the previous year's discount rate of 2.21%.

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 (1.16%) or 1-percentage-point higher (3.16%) than the current discount rate:

1% Decrease in Discount Rate (1.16%)	Discount Rate (2.16%)	1% Increase in Discount Rate (3.16%)
\$ 19,885,740	\$ 18,075,925	\$ 16,094,617

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

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

1% Decrease in Healthcare Costs Trend Rate	Current Healthcare Costs Trend Rate	1% Increase in Healthcare Costs Trend Rate
\$ 16,619,854	\$ 18,075,925	\$ 19,291,005

OPEB plan fiduciary net position:

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

NOTE L – INTERFUND ACTIVITY

The Printing Office Fund is an enterprise fund, primarily supported by fees for its printing services to other State agencies and other divisions of the LCB. For the year ended June 30, 2022, other divisions of the LCB purchased \$1,377,661 in printing services from the Printing Office Fund.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

As described in Note G, the building acquired under a financing agreement is shared between the Printing Office Fund and other divisions of the LCB. Based on square footage used, 30.89% of the total base rent payment totaling \$129,704 was allocated and charged to the Printing Office Fund. The Printing Office Fund was also charged \$30,000 for administrative services. The Legislative Fund reimbursed the Printing Office Fund the total amount of \$159,704.

NOTE M – RISK MANAGEMENT

The LCB, like all governmental entities, is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The LCB participates in the insurance program of the State. Information relating to the State insurance program is available in the State's ACFR for the year ended June 30, 2022. The State's ACFR may be obtained by writing the State of Nevada, Office of the State Controller, 101 N. Carson Street, Suite 5, Carson City, NV 89701.

REQUIRED SUPPLEMENTARY INFORMATION

**LEGISLATIVE COUNSEL BUREAU
REQUIRED SUPPLEMENTARY INFORMATION
LEGISLATIVE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Publication and gift shop sales	\$ 150,000	\$ 150,000	\$ 239,142	\$ 89,142
Other income and reimbursements	595,193	595,193	263,691	(331,502)
Intergovernmental				
State of Nevada General and Highway Funds appropriations	37,496,899	37,496,899	37,425,009	(71,890)
Reversions and reimbursements from State of Nevada funds	1,639,640	1,639,640	1,648,469	8,829
Amounts available for appropriation	39,881,732	39,881,732	39,576,311	(305,421)
Expenditures				
Current				
Legislative Commission	135,342	135,342	100,622	34,720
Legislative Session	176,710	176,710	2,565,947	(2,389,237)
Administrative Division	11,703,252	11,703,252	12,371,318	(668,066)
Audit Division	5,177,003	5,177,003	4,270,278	906,725
Legal Division	10,217,306	10,217,306	8,149,428	2,067,878
Fiscal Analysis Division	4,840,270	4,840,270	4,332,381	507,889
Research Division	5,629,601	5,629,601	4,867,546	762,055
Interim Nevada Legislature	1,285,782	1,285,782	864,019	421,763
Special Projects and Studies	137,426	137,426	825,743	(688,317)
Publication cost of sales, distributions and disposals	-	-	1,457,189	(1,457,189)
Capital outlay	-	-	3,352,450	(3,352,450)
Debt service				
Long-term obligation principal and lease payments	377,000	377,000	420,740	(43,740)
Long-term obligation and lease interest payments	42,890	42,890	49,640	(6,750)
Intergovernmental				
Reversions to State of Nevada General Fund	-	-	5,000	(5,000)
Total expenditures	39,722,582	39,722,582	43,632,301	(3,909,719)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	159,150	159,150	(4,055,990)	(4,215,140)
Other financing sources (uses)				
Lease liabilities incurred	-	-	188,245	
Transfers out	(159,150)	(159,150)	(159,704)	554
Total other financing sources (uses)	(159,150)	(159,150)	28,541	554
NET CHANGE IN FUND BALANCES				
	\$ -	\$ -	\$ (4,027,449)	\$ (4,214,586)

**LEGISLATIVE COUNSEL BUREAU
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022**

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

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

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until ten years of data is available, the LCB will present information only for those years for which information is available. The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

**LEGISLATIVE COUNSEL BUREAU
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022**

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

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

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until ten years of data is available, the LCB will present information only for those years for which information is available.

**LEGISLATIVE COUNSEL BUREAU
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022**

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

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

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until ten years of data is available, the LCB will present information only for those years for which information is available. The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

**LEGISLATIVE COUNSEL BUREAU
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022**

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

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

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until ten years of data is available, the LCB will present information only for those years for which information is available.

**LEGISLATIVE COUNSEL BUREAU
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022**

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

	2022	2021	2020	2019
Total pension liability - beginning	\$ 4,841,509	\$ 4,829,909	\$ 5,165,430	\$ 5,175,344
Service cost	31,699	33,601	28,898	29,501
Interest	349,718	348,753	371,943	373,117
Change of benefit terms	-	-	-	-
Difference between expected and actual experience	(119,503)	56,188	(266,191)	47,379
Change of assumptions	268,252	-	-	-
Benefit payments, including refunds	(420,603)	(426,942)	(470,171)	(459,911)
Net change in total pension liability	109,563	11,600	(335,521)	(9,914)
Total pension liability - ending	<u>\$ 4,951,072</u>	<u>\$ 4,841,509</u>	<u>\$ 4,829,909</u>	<u>\$ 5,165,430</u>
Plan fiduciary net position - beginning	\$ 4,694,337	\$ 4,703,170	\$ 4,707,776	\$ 4,644,651
Contributions - employer	82,846	97,935	97,935	104,834
Contributions - employee	19,182	24,724	24,724	20,286
Net investment income	1,254,669	295,450	342,906	397,916
Benefit payments, including refunds	(420,603)	(426,942)	(470,171)	(459,911)
Administration expenses	N/A	N/A	N/A	N/A
Other	-	-	-	-
Net change in plan fiduciary net position	936,094	(8,833)	(4,606)	63,125
Plan fiduciary net position - ending	<u>\$ 5,630,431</u>	<u>\$ 4,694,337</u>	<u>\$ 4,703,170</u>	<u>\$ 4,707,776</u>
Net pension liability (asset) - ending	<u>\$ (679,359)</u>	<u>\$ 147,172</u>	<u>\$ 126,739</u>	<u>\$ 457,654</u>
Plan fiduciary net position as a percentage of total pension liability	113.72%	96.96%	97.38%	91.14%
Covered-employee payroll	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered employee payroll	N/A	N/A	N/A	N/A

**LEGISLATIVE COUNSEL BUREAU
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022**

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

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

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until ten years of data is available, the LCB will present information only for those years for which information is available. The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

**LEGISLATIVE COUNSEL BUREAU
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022**

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

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

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

**LEGISLATIVE COUNSEL BUREAU
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022**

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

	2022	2021	2020	2019	2018
Contractually required contribution	\$ 495,891	\$ 510,140	\$ 531,670	\$ 499,632	\$ 488,622
Contributions in relation to the contractually required contribution	495,891	510,140	531,670	499,632	488,650
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (28)</u>
LCB's covered payroll	\$ 22,656,984	\$ 21,697,489	\$ 22,525,910	\$ 21,337,488	\$ 21,020,386
Contributions as a percentage of covered payroll	2.19%	2.35%	2.36%	2.34%	2.32%

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

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

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

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

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

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

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

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

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

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

**LEGISLATIVE COUNSEL BUREAU
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022**

NOTE A - GAAP VS BUDGET COMPARISON

The Legislative Fund prepares its budget on a basis of accounting that differs from GAAP. The major difference between the budgetary basis of accounting and GAAP is that in the former, encumbrances are treated as expenditures in the year of incurrence of the commitment to purchase. For GAAP purposes, these amounts are considered expenditures in the year that the goods or services are received. No adjustments were required to convert from the GAAP basis of accounting to the budgetary basis of accounting at June 30, 2022.

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

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

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

COMPLIANCE SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Legislative Counsel Bureau (LCB), an agency of State of Nevada (the State) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise LCB's basic financial statements, and have issued our report thereon dated October 26, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered LCB's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of LCB's internal control. Accordingly, we do not express an opinion on the effectiveness of LCB's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Crowe LLP". The signature is written in a cursive, flowing style.

Crowe LLP

Costa Mesa, California
October 26, 2022