Financial Statements
June 30, 2025 and 2024
Nevada State Board of Funeral
& Cemetery Services

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#### **Independent Auditor's Report**

To the Members Nevada State Board of Funeral & Cemetery Services Reno, Nevada

#### Report on the Audit of the Financial Statements

## Opinion

I have audited the accompanying financial statements of the governmental activities and the major fund of Nevada State Board of Funeral & Cemetery Services (Board) as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Nevada State Board of Funeral & Cemetery Services, as of June 30, 2025 and 2024, and the changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Basis of Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Nevada State Board of Funeral & Cemetery Services and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.<sup>3</sup>

#### Responsibilities of Management for the Financial Statements

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

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 Nevada State Board of Funeral & Cemetery Services' 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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my 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 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, I:

- 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 Nevada State Board of Funeral & Cemetery Services' internal
  control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant
  accounting estimates made by management, as well as evaluate the overall presentation of the
  financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Nevada State Board of Funeral & Cemetery Services' ability to continue as a going concern for a reasonable period of time.

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management discussion and analysis, budgetary comparison information, schedule of changes in other postemployment benefits (OPEB) liability, and schedule of contributions on pages 4-7, and 24-27, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide 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*, I have also issued my report dated November 25, 2025, on my consideration of the Nevada State Board of Funeral & Cemetery Services' internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Nevada State Board of Funeral & Cemetery Services' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Nevada State Board of Funeral & Cemetery Services' internal control over financial reporting and compliance.

Chistansen Accounting Network

Reno, Nevada November 25, 2025 Our discussion and analysis of the Nevada State Board of Funeral & Cemetery Services (Board) financial condition and activities for the fiscal years ended June 30, 2025 and 2024 is presented in conjunction with the audited financial statements.

## Financial Highlights

- Program revenue for the fiscal years ended June 30, 2025 and 2024 were approximately \$393,000 and \$370,000, respectively. Program revenue for fiscal year 2025 increased and exceeded budget. Whereas program revenue in fiscal year 2024 was slightly less that the previous year due primarily to regulatory fees and total revenue was approximately \$2,500 less than budget.
- General fund expenditures, net of lease financing, for the fiscal years ended June 30, 2025 and 2024 were approximately \$372,000 and \$363,000, respectively, which represents decreases from the previous two fiscal years. The overall decreases from the previous biennial period were due primarily to personnel costs. Operating expenses, excluding personnel, were less than budget for both years.
- During fiscal year 2025, the Board renewed its office lease for an additional 5-year term, which resulted in an increase in right-of-use assets and lease liabilities.

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

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

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

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

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

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

#### Financial Analysis

The basic financial statements, as well as the required supplementary information, the Statement of Revenue and Expenditures – Budget and Actual and Schedule of Changes in Other Postemployment Benefit (OPEB) Liability and Related Ratios, serve as the key financial data for the Board members' and management's monitoring and planning. See below for comments regarding budget-to-actual variances and year-to-year variances.

#### Statement of Net Position

The Board's net position remains strong at year-end with adequate liquid assets to fulfill its responsibilities. The Board members and management believe the current financial condition and staff capabilities are sufficient to meet anticipated operating expenses and operational objectives. Following are condensed statements of net position for the most recent three fiscal years:

		2025		2024		2023
ASSETS	_		-			
Cash	\$	376,949	\$	411,924	\$	360,068
Other current assets		37,116		27,597		36,017
Capital assets, net	_	95,674	_	21,295	_	37,923
	_	509,739		460,816		434,008
DEFERRED OUTFLOWS OF RESOURCES	_	26,376		36,042		32,699
	\$_	536,115	\$	496,858	\$	466,707
LIABILITIES  Current liabilities  Long-term liabilities	\$	86,951	\$	125,617	\$	71,083
Due within one year		19,238		13,437		48,307
Due in more than one year		191,919		183,116		168,800
	_	298,108		322,170		288,190
DEFERRED INFLOWS OF RESOURCES	=	61,647		14,703		17,712
NET POSITION						
Net invested in capital assets		(2,753)		2,614		7,024
Unrestricted		179,113		157,371		153,781
	_	176,360		159,985		160,805
	\$_	536,115	\$	496,858	\$	466,707

#### Statement of Activities

Revenue: The program revenue received by the Board is generated through monthly regulatory fees and biennial registration, renewal and licensure of funeral homes, cemeteries, crematories, and individuals. The fluctuations in program revenue are due primarily to fluctuations in regulatory fees, which vary based upon the number of deaths during the fiscal year.

Expenses: Personnel costs increased approximately \$14,000 in fiscal year 2025 due to refilling the administrative staff position. Otherwise, operating costs remain stable and have not increased significantly despite price increases.

Following are condensed statements of activities for the three most recent fiscal years:

CONDENSED STATEMENTS OF ACTIVITIES											
		2025		2024		2023					
REVENUE			_		_						
Nevada regulatory fees	\$	290,400	\$	279,380	\$	288,650					
Renewal and licensing fees		95,200		88,534		82,369					
Fines and miscellaneous fees		7,793	_	2,030		7,148					
Total revenue		393,393	- '	369,944	· ' <u>-</u>	378,167					
EXPENDITURES											
Board operations											
Personnel		277,749		263,453		348,164					
Travel		6,123		9,857		15,105					
Operating		64,818		72,196		64,931					
Interest		4,836		908		1,766					
Depreciation and amortization		23,492		24,350		23,050					
Total expenditures		377,018		370,764		453,016					
CHANGE IN NET POSITION	\$	16,375	\$	(820)	\$	(74,849)					

## General Fund Budgetary Highlights

Revenues were budgeted fairly consistently each of the fiscal years 2025 and 2024 based on no changes in fee amounts. However, revenue increased in 2025 due to increases in initial licensing and approval fees as well as fines and administrative fees.

Total expenses were approximately \$300 less than budget for fiscal year 2025 and \$75,000 less than budget for fiscal year 2024. Although total expenses for fiscal year 2025 increased approximately \$6,300 over fiscal year 2024, personnel and operating costs continue to be significantly less than the previous biennial period due to staffing transitions and reductions in administrative travel costs as a result of virtual rather than inperson meetings when possible.

## Economic Factors and Next Year's Budget

The Board is charged with, and given statutory authority, to provide public protection through the licensure and regulation of funeral and cemetery service providers. The Board provides direction of staff actions toward its mission of public protection through licensure and disciplinary measures.

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

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

	2025								
		General	-	ustments	S	tatement			
		Fund	(I	Note 9)	of N	et Position			
Assets Cash Accounts receivable Prepaid expenses	\$	376,949 33,420 2,196	\$	- - -	\$	376,949 33,420 2,196			
Security deposit Right-of-use lease asset, net Capital assets, net		1,500 - <u>-</u>		- 94,647 1,027		1,500 94,647 1,027			
Total assets		414,065		95,674		509,739			
Deferred Outflows of Resources Deferred outflows related to OPEB				26,376		26,376			
Total assets and deferred outflows of resources		414,065		122,050		536,115			
Liabilities Accounts payable Accrued payroll Licensing fees received in advance Accrued compensated absences Long-term liabilities		11,529 10,651 38,928		- - - 25,843		11,529 10,651 38,928 25,843			
Due within one year:  Lease liability  Due in more than one year:  Lease liability  Net OPEB liabilities		- -		19,238 79,189 112,730		19,238 79,189 112,730			
Total liabilities		61,108		237,000		298,108			
Deferred Inflows of Resources Deferred inflows related to OPEB		-		61,647		61,647			
Total liabilities and deferred inflows of resources		61,108		298,647		359,755			
Fund Balance / Net Position Fund balance Nonspendable Unassigned		3,696 349,261		(3,696) (349,261)		<u>-</u>			
Total fund balance		352,957		(352,957)		<del>-</del>			
Total liabilities and fund balance	\$	414,065							
Net position  Net investment in capital assets  Unrestricted				(2,753) 179,113		(2,753) 179,113			
Total net position			\$	176,360	\$	176,360			

			2024	
	General Fund	-	justments Note 9)	tatement et Position
Assets Cash Accounts receivable Prepaid expenses Security deposit	\$ 411,924 24,630 1,467 1,500	\$	- - -	\$ 411,924 24,630 1,467 1,500
Right-of-use lease asset, net Capital assets, net	 - -		17,860 3,435	 17,860 3,435
Total assets	439,521		21,295	 460,816
Deferred Outflows of Resources Deferred outflows related to OPEB	 <u>-</u>		36,042	 36,042
Total assets and deferred outflows of resources	 439,521		57,337	 496,858
Liabilities Accounts payable Accrued payroll Licensing fees received in advance Accrued compensated absences Long-term liabilities Due within one year:	5,581 9,763 92,353		- - - 17,920	5,581 9,763 92,353 17,920
Lease liability Due in more than one year: Lease liability Net OPEB liabilities	- - -		13,437 5,244 177,872	13,437 5,244 177,872
Total liabilities	 107,697		214,473	 322,170
Deferred Inflows of Resources Deferred inflows related to OPEB			14,703	14,703
Total liabilities and deferred inflows of resources	107,697		229,176	336,873
Fund Balance / Net Position Fund balance Nonspendable Unassigned	 2,967 328,857		(2,967) (328,857)	 - -
Total fund balance	 331,824		(331,824)	 
Total liabilities and fund balance	\$ 439,521			
Net position  Net investment in capital assets  Unrestricted	 		2,614 157,371	2,614 157,371
Total net position		\$	159,985	\$ 159,985

# Nevada State Board of Funeral & Cemetery Services

Statements of Activities and Governmental Fund Revenue, Expenditures, and Changes in Fund Balances Years Ended June 30, 2025 and 2024

	2025								
		General	Adj	ustments	Sta	tement of			
		Fund	(	Note 9)	A	ctivities			
Expenditures/Expenses									
Board operations	\$	349,299	\$	(609)	\$	348,690			
Capital outlay - lease asset		97,871		(97,871)		-			
Debt financing									
Lease financing principal		18,125		(18,125)		-			
Interest		4,836		-		4,836			
Depreciation		-		2,408		2,408			
Amortization		_		21,084		21,084			
		470,131		(93,113)		377,018			
Program Revenue									
Nevada regulatory fees		290,400		_		290,400			
Renewal and licensing fees		95,200		_		95,200			
Fines and administrative fees		7,754		_		7,754			
Other income		39		<u> </u>		39			
Total program revenue		393,393				393,393			
Other Financing Sources									
Lease financing		97,871		(97,871)					
Excess of Revenue Over Expenditures		21,133		(4,758)		-			
Change in Net Position		-		16,375		16,375			
Fund Balance/Net Position, Beginning of Year		331,824		(171,839)		159,985			
Fund Balance/Net Position, End of Year	\$	352,957	\$	(176,597)	\$	176,360			

# Nevada State Board of Funeral & Cemetery Services Statements of Activities and Governmental Fund Revenue, Expenditures, and Changes in Fund Balances Years Ended June 30, 2025 and 2024

	2024									
		General		justments		tement of				
		Fund	(	Note 9)	A	ctivities				
Expenditures/Expenses	Φ.	222 420	ф	10.000	Φ.	044.004				
Board operations Capital outlay - lease asset	\$	333,439 7,721	\$	10,822 (7,721)	\$	344,261				
Debt financing		7,721		(7,721)		_				
Lease financing principal		28,775		(28,775)		_				
Interest		908		-		908				
Depreciation		-		3,589		3,589				
Amortization		-		22,006		22,006				
	•	370,843		(79)	•	370,764				
Program Revenue										
Nevada regulatory fees		279,380		-		279,380				
Renewal and licensing fees		88,534		-		88,534				
Fines and administrative fees		1,875		-		1,875				
Other income		155				155				
Total program revenue		369,944				369,944				
Other Financing Sources										
Lease financing		7,721		(7,721)						
Excess of Revenue Over Expenditures		6,822		(7,642)		-				
Change in Net Position		-		(820)		(820)				
Fund Balance/Net Position, Beginning of Year		325,002		(164,197)		160,805				
Fund Balance/Net Position, End of Year	\$	331,824	\$	(171,839)	\$	159,985				

## Note 1 - Reporting Entity and Summary of Significant Accounting Policies

The Nevada State Board of Funeral & Cemetery Services (Board) is regulated by Nevada Revised Statutes (NRS) 642, which also specify the authorized activities of the Board. The general fund is used to account for the proceeds of licensing and examination fees and other revenues that are legally restricted to expenditures for specified purposes.

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

The following is a summary of the more significant policies.

#### Reporting Entity

Effective July 1, 2001, Chapter 353 of the Nevada Revised Statutes (NRS) was amended to exempt certain professional and occupational boards from the state budget act and the provisions governing the administration of state funding. The provisions of Chapter 353 do not apply to boards created pursuant to chapters 623 to 625A, inclusive, 628, 630 to 640A, inclusive, 641 to 644, inclusive, 654 and 656 of the NRS and the officers and employees thereof. Accordingly, the Board's budgeting and accounting practices and procedures have been removed from the oversight of the Department of Administration.

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

## Basis of Presentation

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

## Fund Accounting

Under Chapter 628.140 of the Nevada Revised Statutes, the general fund of the Board is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures to be used solely for the Board's benefit. According to statute, any money deposited to Nevada State Board of Funeral & Cemetery Services does not revert to the State of Nevada's general fund. The net assets of the general fund are restricted solely to be used by the Board to meet its obligation of licensing and regulating the practice of public accounting in the state of Nevada.

## Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectable within the current period or within 60 days after year-end to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures relating to compensated absences are recorded only when payment is due.

The Board has only governmental fund types.

## **Budget Data**

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

#### Cash and Cash Equivalents

Cash includes cash on hand and demand deposit accounts. The Board also considers highly liquid financial instruments with original maturities of three months or less to be considered cash equivalents. By provision of statutes, the Board is authorized to deposit all money in banks or savings and loan associations located in the state of Nevada and must be subject to withdrawal on demand. The Board participates in the State of Nevada collateralization program to assure that funds deposited are protected.

#### Accounts Receivable

For the governmental fund financial statements, the accounts receivable represent regulatory fees collected within 60 days subsequent to year end that are an available resource for the current year.

For the government-wide financial statements the accounts receivable represents regulatory fees due as of year-end. All amounts are considered collectible by management.

#### Capital Assets

Capital assets, which include furniture, fixtures, and equipment are reported in the net asset column in the government-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$500 and an estimated useful life of at least one year. Such assets are recorded at historical cost. Donated assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are expensed as incurred. Capital assets are depreciated using the straight-line method over 3 to 20 years.

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

## Right-of-Use Assets

Right-of-use (ROU) assets are recognized at the lease commencement date and represent the Board's right of use of an underlying asset for a specified term. ROU assets are measured at the initial value of the lease liability plus initial direct costs and any payments made to the lessor before commencement

#### Licensing Fees Received in Advance

The Board's licensing period encompasses a two-year period based on calendar years. Accordingly, the current licensing period will end on December 31, 2025. Licensing fees received in advance represent revenue from the annual renewals of licenses for funeral directors, embalmers, funeral arrangers, funeral establishments, cemeteries, and crematories, and are recognized ratably over the renewal period.

Licensing fees received in advance consists of the unearned portion of annual license renewal fees collected prior to June 30, 2025 and 2024 that are applicable through December 31, 2025.

#### Compensated Absences

It is the Board's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated vacation or sick leave on the general fund balance sheet as no amounts were due and payable at year end. Accumulated unused vacation and sick leave earned as of June 30, 2025 and 2024, is reflected in the statement of net position.

## Lease Liability

Lease liabilities represent the Board's obligations to make lease payments arising from leases other than short-term leases. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments over the remaining lease term. Present value of lease payments are discounted based on a borrowing rate determined by the Board. Short-term leases, those with a maximum period of 12 months, are expensed as incurred.

### Deferred Outflows and Inflows of Resources

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

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

#### Fund Equity and Net Position

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

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

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

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

- Net investment in capital assets consists of capital assets, net of accumulated depreciation and any related debt.
- Restricted net position consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position net position that is neither classified as "invested in capital assets" nor as "restricted."

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

## Other Postemployment Benefits (OPEB)

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

## Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## **New Accounting Pronouncements; Adopted in Current Periods**

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Technology Arrangements* effective July 1, 2024. The primary objective is to better meet the information needs of financial statement users by improving the accounting and financial reporting for subscription technology arrangements by governments. The implementation of this standard had no effect on the financial statements or disclosures.

GASB Statement No. 100, Accounting for Changes and Error Corrections - An Amendment of GASB Statement No. 62, was implemented effective July 1, 2024. The primary objective of the standard is to enhance accounting and financial reporting requirement for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions and assessing accountability. The implementation of this standard had no effect on previously reported fund balance or net position.

GASB Statement No. 101, *Compensated Absences*, was implemented effective July 1, 2024. The objective of the statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences by aligning such guidance under a unified model and amending certain previously required disclosures. The implementation of this standard had no effect on previously reported fund balance or net position.

GASB Statement No. 102, Certain Risk Disclosures, became effective July 1, 2024. The objective of the standard is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The implementation of this new standard had no effect on the financial statements and disclosures.

#### New Accounting Pronouncements - Not Yet Adopted

GASB Statement No. 103, Financial Reporting Model Improvements was issued in April 2024. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing an entity's accountability. GASB Statement No. 103 will be effective for the Board beginning with the fiscal year ended June 30, 2026.

GASB Statement No. 104, Disclosure of Certain Capital Assets, was issued in September 2024. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Also, the disclosure requirement will improve consistency and comparability between governmental entities. GASB Statement No. 104 will be effective for the Foundation beginning with the fiscal year ended June 30, 2026.

The Board will implement new GASB pronouncements no later than the required effective date. The Board is currently evaluating whether or not the above listed new GASB pronouncements will have a significant impact on the Board's financial statements.

## Note 2 - Cash and Cash Equivalents

Cash includes a checking account at a commercial bank. in Nevada. At June 30, 2025 and 2024, the cash balances totaled \$376,949 and \$411,924, respectively. Interest income on the deposit accounts totaled \$39 and \$130 for the years ended June 30, 2025 and 2024.

#### **Custodial Credit Risk**

The custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Board will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Board maintains its cash accounts in a large commercial bank in Nevada. The demand deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Excess cash balances are protected through the Board's participation in the State of Nevada collateralization program for bank deposits.

## Note 3 - Capital and Right-of-Use Assets

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

	2025									
	В	alance					Balance			
	June 30, 2024		Additions		Deletions		Jun	e 30, 2025		
Capital assets not being depreciated					`					
None	\$	-	\$	-	\$	-	\$	-		
Capital assets being depreciated or amortized:										
Office equipment and furniture		27,858		-		-		27,858		
Right-of-use lease assets Less accumulated depreciation		66,268		97,871	(!	58,547)		105,592		
and amortization		(72,831)		(23,492)	!	58,547		(37,776)		
Total capital and right-of-										
use assets, net	\$	21,295	\$	74,379	\$		\$	95,674		

	Е	Balance					В	alance
	June 30, 2023		Additions		Dele	etions	June	e 30, 2024
Capital assets not being depreciated					·			_
None	\$	-	\$	-	\$	-	\$	-
Capital assets being depreciated or amortized:								
Office equipment and furniture		27,858		-		-		27,858
Right-of-use lease assets Less accumulated depreciation		58,547		7,721		-		66,268
and amortization		(48,481)	(	24,350)				(72,831)
Total capital and right-of-								
use assets, net	\$	37,924	\$ (	16,629)	\$	-	\$	21,295

## Note 4 - Long-term Obligations Activity

## **Compensated Absences**

The Board's employees are eligible for paid time off benefits, which vest each pay period and are payable upon termination. Such benefits are accrued as a liability in the government-wide financial statements. Following is a summary of the change in accrued leave benefits payable:

	В	alance			В	alance		Balance			
	July	/ 1, 2023	Ne	Net Change		30, 2024	Net	Change	June	June 30, 2025	
Compensated				_							
absences	\$	33,662	\$	(15,742)	\$	17,920	\$	7,923	\$	25,843	

#### Note 5 - Lease Obligations

The Board renewed its lease agreement for office space in Reno, Nevada effective February 1, 2025, through January 31, 2030. The current monthly lease payments are \$1,791, with scheduled annual increases. At the time of initial measurement, there was no interest rate specified in the original lease agreement. Accordingly, the Board has used an incremental borrowing rate based on the five-year US Treasury rate to discount the annual lease payments and recognize an intangible right of use asset and corresponding lease liability. The Board also has 5-year lease agreements for a copier through August 10, 2028 and postage meter through March 31, 2029. The equipment leases have combined monthly payments of \$154.

Lease liability activity is as follows:

	alance / 1, 2024	Additions		Additions Deletions			alance e 30, 2025	Current Portion	
Office lease Equipment leases	\$ 11,984 6,697	\$	97,871 <u>-</u>	\$	(16,673) (1,452)	\$	93,182 5,245	\$	17,699 1,539
	\$ 18,681	\$	97,871	\$	(18,125)	\$	98,427	\$	19,238
	alance / 1, 2023	Ad	Additions		Deletions		Balance June 30, 2024		urrent ortion
Office lease Equipment leases	\$ 32,014	\$	- 7,721	\$	(20,030) (1,024)	\$	11,984 6,697	\$	11,984 1,453
	\$ 32,014	\$	7,721	\$	(21,054)	\$	18,681	\$	13,437

Following is a summary of the remaining required payments under the lease agreements:

	Principal		Ir	nterest	Total		
For the years ended June 30:							
2026	\$	19,238	\$	4,377	\$	23,615	
2027		20,755		3,513		24,268	
2028		22,357		2,582		24,939	
2029		22,561		1,579		24,140	
2030		13,516		589_		14,105	
		_		_			
	\$	98,427	\$	12,640	\$	111,067	

#### Note 6 - Retirement Benefits

the Board has a defined contribution retirement plan in which it contributes 14.5% of eligible employees' salary. For the years ended June 30, 2025 and 2024, contributions to the plan totaled \$29,753 and \$25,691, respectively.

#### Note 7 - Other Postemployment Retirement Benefits (OPEB)

## Plan Description

Employees of the Board are provided with OPEB through the Self Insurance Trust Fund, Public Employees' Benefits Program (PEBP) - a cost-sharing multiple employer defined benefit OPEB plan administered by the Public Employees' Benefits Program Board (PEBP Board) which was created in 1983 by the Nevada Legislature to administer group health, life and disability insurance for covered employees, both active and retired, of the State, and certain other participating public employers within the State of Nevada. PEBP does not provide for refunds of employee contributions. The Self Insurance Trust Fund issues a publicly available financial report that can be obtained at <a href="https://pebp.state.nv.us/">https://pebp.state.nv.us/</a>. The Board is reporting plan information consistently with the PEBP's accounting methods and assumptions as disclosed in the annual report. No information has come to my attention that indicates significant changes to the plan's disclosures.

The Board joined the PEBP in May 2018 and, therefore, plan information is only disclosed beginning with the fiscal year ended June 30, 2019 based upon a measurement date of June 30, 2018.

#### Benefits Provided

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

#### **Contributions**

Per NRS 287 contribution requirements of the participating entities and covered employees are established and may be amended by the PEBP Board. The Boards' contractually required contribution for the years ended June 30, 2025 and 2024 totaled \$6,549 and \$5,510, respectively. These contributions were actuarially determined as an amount that is expected to finance the costs of benefits earned by employees during the year. Employees are not required to contribute to the OPEB plan.

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

At June 30, 2025 and 2024, the Board reported a liability of \$112,730 and \$177,872, respectively, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024 and 2023, respectively, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Board's proportion of the net OPEB liability was based on a projection of the Board's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating state agencies, actuarially determined. At June 30, 2025 and 2024, the Board's proportion was 0.0083% and 0.0122%, respectively.

For the years ended June 30, 2025 and 2024, the Board recognized OPEB expense of \$8,532 and \$18,840, respectively.

At June 30, 2025 and 2024, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	June 30, 2025				
	Deferred	Deferred			
	Outflows of	Inflows of			
	Resources	Resources			
Change of assumptions	\$ -	\$ 10,939			
Change in proportions	18,692	49,237			
Net difference between projected and actual					
earnings on OPEB plan investments	=	29			
Asset experience	=	1,442			
Board contributions subsequent to the measurement date	7,684				
Total	\$ 26,376	\$ 61,647			

	June 30, 2024					
	D	eferred	D	Deferred		
	Outflows of			flows of		
	Resources			Resources		
Change of assumptions	\$	2,500	\$	11,162		
Change in proportions		28,032		-		
Net difference between projected and actual						
earnings on OPEB plan investments		-		52		
Asset experience				3,489		
Board contributions subsequent to the measurement date		5,510		_		
Total	\$	36,042	\$	14,703		

Deferred outflows of resources related to OPEB resulting from Employer contributions subsequent to the measurement date in the amount of \$7,684 and \$5,510 for 2025 and 2024, respectively, will be recognized as a reduction of the net OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending June 30,		
2026	<del></del>	(10,050)
2027		(8,638)
2028		(8,634)
2029		(12,046)
2030		(3,587)
	\$	(42,955)

## Actuarial Assumptions

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

June 30,	2025
Inflation rate	2.5%
Discount rate	3.93%
Salary increases	4.20% to 9.10% for Regular members
Investment rate of return	2.5%
Productivity pay increases	0.5%
Healthcare cost trend rates	8% graded down 0.25% to ultimate 4.5%
	over 14 years
June 3	0, 2024
Inflation rate	2.5%
Discount rate	3.65%
Salary increases	4.20% to 9.10% for Regular members
Investment rate of return	2.5%
Healthcare cost trend rates	4.8% increase effective July 1, 2023, then 7.25%
	graded down 0.25% to ultimate 4.5% over 11 years

Health mortality rates were based on PUB-2010 Public Retirement Plans General Mortality Table weighted by Headcount, projected by MP2020 for civilians with rates adjusted to various levels based on factors such as sector and disability. The actuarial assumptions used in the valuations 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 GASB Statement No. 75 is required to be consistent with a 20-Year Municipal Bond Index. The Bond Buyer General Obligation 20-Bond Municipal Bond Index is used for the determination of the discount rate. The discount rates used to measure the total OPEB liability at June 30, 2025 and June 30, 2024 were 3.93% and 3.65%, respectively.

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

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

	1% Decrease2.93%			
June 30, 2025 net OPEB liability	\$ 123,583	\$ 112,730	\$ 103,299	
	1% Decrease 2.65%	Current Rate 3.65%	1% Increase 4.65%	
June 30, 2024 net OPEB liability	\$ 195,099	\$ 177,872	\$ 162,931	

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:

	Health Care Cost Trend Rate							
	1% Decrease	Current Rate	1% Increase					
2025 Net OPEB liability	\$ 107,425	\$ 112,730	\$ 118,767					
2024 net OPEB liability	\$ 168,674	\$ 177,872	\$ 188,428					

#### 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.

## Note 8 - Compliance with Nevada Revised Statutes and Nevada Administrative Code

The Board conformed to all significant statutory constraints on its financial administration during the fiscal years.

#### Note 9 - Conversion to Government-Wide Financial Statements

Adjustments on the face of the financial statements were made to the fund balance sheets and statements of revenue, expenditures, and changes in fund balances in order to reconcile the fund financial statements to the government-wide statements of net position and activities. The amounts reported for the governmental activities in the statement of activities are different due to the following adjustments:

	2025	2024
Fund Balance - Total Governmental Funds	\$ 352,957	\$ 331,824
Assets		
Right of use asset, net of accumulated amortization	94,647	17,860
Capital assets, net of accumulated depreciation	1,027	3,435
Deferred Outflows of Resources - OPEB	26,376	36,042
Liabilities		
Compensated absences	(25,843)	(17,920)
Lease liability	(98,427)	(18,681)
Net OPEB liability	(112,730)	(177,872)
Deferred Inflows of Resources - OPEB	(61,647)	(14,703)
Net Position	\$ 176,360	\$ 159,985
Excess of Revenue Over Expenditures	\$ 21,133	\$ 6,822
Expenditures/Expenses		
Compensated absences	(7,923)	15,739
OPEB expenses	8,532	(18,840)
Principal payments on lease obligations	18,125	21,054
Lease amortization	(21,084)	(22,006)
Depreciation expense	(2,408)	(3,589)
Change in Net Position	\$ 16,375	\$ (820)

Required Supplementary Information June 30, 2025 and 2024 Nevada State Board of Funeral & Cemetery Services

	2025					
			Actu	al Amounts	Vai	riance -
	Orig	jinal and	В	udgetary	Fa	vorable
	Fina	l Budget_	Basis		(Unfavorabl	
Revenue						
Nevada regulatory fees	\$	287,500	\$	290,400	\$	2,900
Renewal and licensing fees						
Facilities permit renewals		12,400		12,700		300
Individual renewals		35,450		37,488		2,038
Examinations		4,000		4,250		250
Initial licensing and approval fees		32,300		40,312		8,012
Reissue license requests		1,000		450		(550)
Fines and administrative fees		500		7,754		7,254
Other income		240		39_		(201)
Total revenue		373,390		393,393		20,003
Expenditures						
Personnel services						
Executive Director		114,850		115,288		(438)
Investigator		36,500		37,794		(1,294)
Administration		52,646		52,866		(220)
Payroll taxes		15,622		17,793		(2,171)
Employee benefits		52,579		54,617		(2,038)
Travel		12,500		6,123		6,377
Operating		•		•		•
Attorney General - legal fees		15,000		22,543		(7,543)
Audit		-		-		-
Background investigation		1,100		1,696		(596)
Bank fees		5,401		4,101		1,300
Board member compensation		4,200		4,650		(450)
Conference/training registration		1,500		1,010		490
Contractual services		9,850		9,730		120
Equipment and furnishings		1,559		0		1,559
Insurance		4,100		5,135		(1,035)
Licensing software subscription		-		_		-
Meeting expenses		2,430		1,107		1,323
Office lease		20,632		22,559		(1,927)
Office supplies		5,000		4,550		450
Postage		2,250		867		1,383
Printing and copying		3,500		660		2,840
Repairs and maintenance		600		102		498
Technical support and website		1,850		221		1,629
Telephone and utilities		8,850		8,848		2
Total expenditures		372,519		372,260		259
Excess of Revenue over Expenses	\$	871	\$	21,133	\$	20,262

	2024					
			Actua	al Amounts	Var	iance -
	Origii	nal and	Вι	ıdgetary	Fav	orable/
_	Final Budget		Basis		(Unfavorable)	
Revenue	Φ.	200 000	Φ.	270 200	Φ.	(000)
Nevada regulatory fees	\$	280,000	\$	279,380	\$	(620)
Renewal and licensing fees		12 400		10 010		(00)
Facilities permit renewals Individual renewals		12,400 44,100		12,312 36,669		(88)
Examinations		4,000		3,850		(7,431) (150)
		4,000 26,475		32,528		6,053
Initial licensing and approval fees		375		32,526 3,175		2,800
Reissue license requests Fines and administrative fees		5,000				
Other income				1,875		(3,125)
Other income		133		155		22
Total revenue		372,483		369,944		(2,539)
Expenditures						
Personnel services						
Executive Director		137,288		119,822		17,466
Investigator		32,936		35,859		(2,923)
Administration		62,119		43,773		18,346
Payroll taxes		15,622		17,206		(1,584)
Employee benefits		54,109		43,692		10,417
Travel		28,100		9,857		18,243
Operating		-,		.,		-,
Attorney General - legal fees		20,000		12,328		7,672
Audit		11,000		11,000		-
Background investigation		1,800		1,257		543
Bank fees		2,800		5,313		(2,513)
Board member compensation		4,200		5,100		(900)
Conference/training registration		4,200		425		3,775
Contractual services		8,650		10,445		(1,795)
Dues and memberships		-		260		(260)
Equipment and furnishings		2,000		_		2,000
Insurance		1,800		5,649		(3,849)
Licensing software subscription		-		-		-
Meeting expenses		3,350		750		2,600
Office lease		20,220		21,912		(1,692)
Office supplies		8,500		5,290		3,210
Postage		2,450		1,437		1,013
Printing and copying		5,000		1,530		3,470
Repairs and maintenance		700		309		391
Technical support and website		2,200		1,141		1,059
Telephone and utilities		9,023		8,767		256
Total expenditures		438,067		363,122		74,945
Excess of Revenue over Expenses	\$	(65,584)	\$	6,822	\$	72,406

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

	2025	2024	2023	2022	2021	2020	2019	2018
Proportion of the net OPEB liability	0.0083%	0.0122%	0.0105%	0.0099%	0.0094%	0.0091%	0.0016%	0.0000%
Proportionate share of the net OPEB liability	\$ 112,730	\$ 177,872	\$ 151,432	\$ 153,894	\$ 140,680	\$ 127,511	\$ 20,613	\$ -
Covered payroll	\$ 205,948	\$ 177,177	\$ 197,166	\$ 160,181	\$ 152,153	\$ 150,551	\$ 20,706	\$ -
Proportionate share of the net OPEB liability as a percentage of covered payroll	54.74%	100.39%	76.80%	96.08%	92.46%	84.70%	99.55%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	-1.03%	-2.14%	-1.41%	-0.65%	-0.38%	-0.02%	-0.12%	-0.11%

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

	2025	2024	2023	2022	2021	2020	2019	2018
Contractually required contributions Contractually required contribution	\$ 6,549 (6,549)	\$ 5,510 (5,510)	\$ 4,969 (4,969)	\$ 3,833 (3,833)	\$ 3,928 (3,928)	\$ 4,102 (4,102)	\$ 3,746 (3,746)	\$ 617 (617)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	<u> </u>	<u> </u>	<u> </u>
Board's covered payroll	\$ 205,948	\$ 177,177	\$ 197,166	\$ 160,181	\$ 152,153	\$ 150,551	\$ 135,751	\$ 20,706
Contributions as a percentage of covered payroll	3.18%	3.11%	2.52%	2.39%	2.58%	2.72%	2.76%	2.98%

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



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

To the Members Nevada State Board of Funeral & Cemetery Services Reno, Nevada

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the Nevada State Board of Funeral & Cemetery Services (Board), as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Nevada State Board of Funeral & Cemetery Services' basic financial statements, and have issued my report thereon dated November 25, 2025.

#### **Internal Control Over Financial Reporting**

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

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

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

#### **Compliance and Other Matters**

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

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

Chistansen Accounting Network

Reno, Nevada November 25, 2025