

# Nevada State Board of Accountancy

*Making Nevada a Better Place to Do Business*



2019 Fall Edition

## WHAT YOU NEED TO KNOW ABOUT THE REQUIREMENT FOR PEER REVIEW

The purpose of the Board's practice monitoring/peer review program is to assist licensees in improving the quality of financial reporting by evaluating compliance with professional standards.

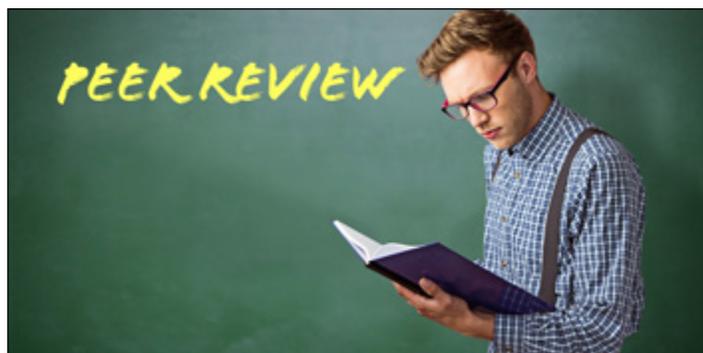
The most important thing to know about peer review is that ALL LICENSEES are required to respond to the Nevada State Board of Accountancy (NSBA) with an exemption or submission form regardless of the type of work performed or industry of employment. Undergoing a peer review and reporting peer review information are two different things, so read carefully to determine your responsibilities.

### Peer Review Historical Changes

The NSBA changed its regulations in 2007 to require all individuals or firms that provide attest (audit, review and full disclosure compilation) services to obtain and report peer review. Prior to 2007 the Board handled the review through its Practice Enhancement Program where selected licensees submitted copies of their reports for review by the Board. Since the change in law, practitioners that perform attest work must now enroll in the American Institute of Certified Public Accountants (AICPA) Peer Review program. This program is administered by the National Peer Review Program (NPRC) or by the Nevada Society of Certified Public Accountants (NVCPA).

### Difference Between Administering Peer Review and Reporting Peer Review

The Nevada Board requires peer review as part of the requirements



to maintain your license. The Nevada Society of CPAs (NVCPA) administers the peer review program through enrollment, processing of peer review results, and acceptance of peer review reports. The final approval by the administering agency is what needs to be reported to the Nevada Board.

The Nevada Board views the peer review process as educational for the licensees that undergo peer review. However, it should be noted that if a licensee fails to comply with the requirements of peer review it can result in the matter becoming a disciplinary issue. Disciplinary action can also be taken against a licensee even if they do not perform attest services and they have not replied to the Board with an exemption form.

The Board has seen an overall increase in disciplinary actions taken against licensees based on failure to respond or comply with the peer review program.

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**The Nevada State Board of Accountancy Newsletter** is the official publication of the Nevada State Board of Accountancy.

#### Members of the Board:

- Candace Johnson, CPA, Las Vegas, President
- Michael E. Davis, CPA, Las Vegas, Sec/Treas.
- Kerry Eaton, CPA, Reno
- Nicola Neilon, CPA, Reno
- L. Ralph Piercy, CPA, Las Vegas
- Jannet Vreeland, Public Member, Reno
- Brian S. Wallace, CPA, Reno

#### Board Staff & Legal Counsel:

- Viki A. Windfeldt, Executive Director
- Leslie C. Walsh, Deputy Director
- Karen Peterson, Legal Counsel
- Glenn D. Bougie, CPA, Board Investigator
- Harry O. Parsons, CPA, Board Investigator
- Patrick M. Thorne, CPA, Board Investigator

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## BOARD MEMBER UPDATE

### BOARD MEMBERS RETIRING - OCTOBER 31, 2019



**Nicola "Niki" Neilon, CPA** was appointed as a member of the Nevada State Board of Accountancy by the Governor's office. Ms. Neilon was appointed to her first 3 year term November 2013. The Governor's office re-appointed Ms. Neilon to serve another 3 year term from November 2016 to October 2019. Ms. Neilon served as the Board's Secretary-Treasurer from July 2016 to June 2017 and as President from July 2017 to June 2018. Ms. Neilon has also served on several committees of the National Association of State Boards of Accountancy as well as the Mountain Regional Director of NASBA for 3 years.



**L. Ralph Piercy, CPA** was appointed as a member of the Nevada State Board of Accountancy by the Governor's office. Mr. Piercy was appointed to his first 3-year term November 2013. The Governor's office re-appointed Mr. Piercy to serve another 3-year term from November 2016 to October 2019. Mr. Piercy served as the Board's Secretary-Treasurer from July 2015 to June 2016 and as President from July 2016 to June 2017.

Ms. Neilon and Mr. Piercy have been an integral part of the Board's oversight during their tenure and have provided a valuable historical perspective while applying thoughtful consideration of the current changes of the profession. The Nevada State Board of Accountancy expresses its appreciation to both Ms. Neilon and Mr. Piercy for their active participation and dedicated service during their terms on the Board.

### BOARD MEMBER RE-APPOINTMENT



**Candace H. Johnson, CPA**, was appointed as a member of the Nevada State Board of Accountancy by the Governor's office beginning November 2014. Ms. Johnson was recently re-appointed by the Governor to her second 3-year term which will end October 31, 2020. Ms. Johnson is currently serving as the Board's President for the year July 1, 2019 through June 30, 2020.



**Michael E. Davis, CPA** was appointed as a member of the Nevada State Board of Accountancy by the Governor's office beginning November 2016. Mr. Davis was recently re-appointed by the Governor to his second 3-year term which will end October 31, 2022. Mr. Davis is currently serving as the Board's Secretary-Treasurer for the year July 1, 2019 through June 30, 2020.

### REMEMBERING PAST BOARD MEMBER STEVEN M. BROCKOVICH



**Steven M. Brockovich**, passed away unexpectedly on November 19, 2018 at the age of 61. Steve was a friend to anyone that met him with his uplifting and vibrant personality. Steve was appointed as a member of the Nevada State Board of Accountancy by the Governor's office to serve as the public member position on the Board. Mr. Brockovich served on the Board from November 1, 2015 to October 31, 2018. Steve will be missed by his friends, family and all who knew him.

# BOARD MEMBER UPDATE

## NEW BOARD MEMBERS (CONTINUED)



**Kerry Eaton CPA** was appointed as a member of the Nevada State Board of Accountancy by the Governor's office to serve as the Certified Public Accountant member in the industry position on the Board. Ms. Eaton was appointed to fulfill the previous outgoing member position term of March 2018 to October 2018 and then re-appointed to her first three-year term beginning November 2018 through October 31, 2021.

Ms. Eaton is a partner at Drinkwater Eaton Law Offices and focuses her practice in the areas of corporate/business law, intellectual property law and tax-exempt/non-profit entities. Prior to her practice as an attorney, she was a CPA focusing on audit and attest services with international gaming companies at Arthur Andersen LLP.

Ms. Eaton graduated from the University of Nevada with a Bachelor of Science degree in Business Administration with a major in accounting and attended William & Mary School of Law where she obtained her Juris Doctor. In addition to her practice, Ms. Eaton serves on non-profit boards and volunteers

her time to community projects.



**Jannet Vreeland** was appointed as a member of the Nevada State Board of Accountancy by the Governor's office to serve as the Public Member position on the Board. Ms. Vreeland was appointed to her first three-year term beginning November 2018 through October 31, 2021.

Ms. Vreeland is an Associate Professor of Accounting at the University of Nevada, Reno. She began her career with the University in 1991 and has been teaching students primarily in the Accounting department for over 28 years. Ms. Vreeland received her undergraduate degree in English Literature from the University of Michigan and has a PhD in Accounting from Texas A&M University.

Ms. Vreeland currently serves on the Board of Directors for a privately-owned manufacturing company as well as serving as the Faculty Advisor for Beta Alpha Psi. She has also enjoyed serving on the Reno Chamber Orchestra as a Board Member for the past six years.

## NATIONAL INVESTIGATORS AND EXPERT WITNESSES WANTED! JOIN THE NASBA INVESTIGATOR POOL

Investigators and expert witnesses are critical to the enforcement process. However, many Boards of Accountancy do not have experienced accounting investigators and experts affiliated with the boards.

In an effort to assist executive directors locate the appropriate investigator or expert witness for their particular situation, NASBA maintains a database of investigators and expert witnesses. The larger the database of qualified investigators and expert witnesses, the more effective the enforcement process becomes. That's why NASBA is asking for your help in identifying individuals like yourself to add to the pool.

### What You Will Need to Apply

To apply to be included in either pool, you will need the following information and materials:

- License information for each jurisdiction in which you are licensed

- A list of your areas of expertise, chosen from these options
- Your resume, in an uploadable format (pdf or Word file)
- Your hourly compensation rate
- Your expense policy

Be sure to read the NASBA Agreement prior to clicking Submit.

### Application Links

If you are interested in applying or know someone with excellent qualifications who should consider applying, here are links to the applications:

[Submit the Investigator Application](#)

[Submit the Expert Witness Application](#)

Note: Information on the individuals approved for inclusion in the database will be released to Board of Accountancy executive directors upon request.



# UNIFORM CPA EXAM PASSING RATES

The National Association of State Boards of Accountancy (NASBA) gathers data regarding candidate's CPA Exam application and performance information for all 55 jurisdictions. The following is Nevada's candidate summary for the second calendar quarter of 2019.

SECTION PERFORMANCE			
	Sections	Score	%Pass
First Time	50	70.50	50.00%
Re-Exam	144	74.63	57.64%
AUD	60	72.73	51.67%
BEC	46	76.26	58.70%
FAR	55	71.15	49.09%
REG	40	75.40	67.50%

## CANDIDATE DEMOGRAPHICS



### Male Candidates

78  
48.1%



### Female Candidates

84  
51.9%

## DEGREE TYPE

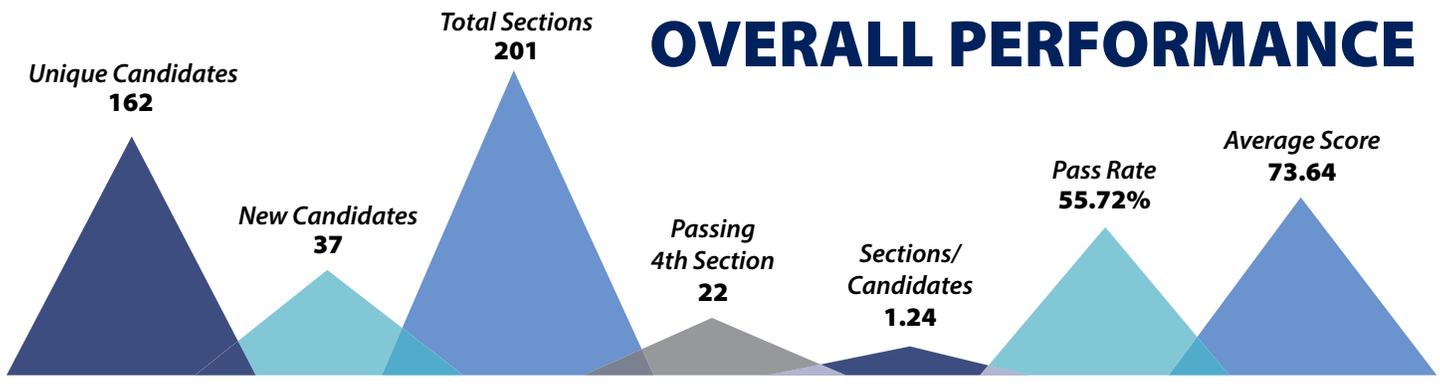
### Candidate Count

Bachelor's Degree 135  
Advanced Degree 26

## DEGREE TYPE

### % of Candidates

Bachelor's Degree 83.3%  
Advanced Degree 16.0%



# CPA CERTIFICATES ISSUED

During the period of January 2019 through July 2019 the following 91 CPA Certificates were issued:

Huma Ahmad  
Ebon Ameen  
Paul Damian Born Arquette  
Eric A. Axile  
Douglas W. Barbin  
Satyaraj Suryakant Berde  
Luis Calderon  
Anthony Joseph Carolla  
Lori Gina Church  
Darren Collmar  
Robert Jacob Covarrubias III  
Steven M. Des Champs  
Kevin Diec  
Matthew Joseph Diggins  
Joseph Diorio  
Robert E. Eash  
Tony J. Ennenga  
Kimberly A. Espe  
Ramya Fernandez  
Kendon R. Galloway  
Ryan John Garner  
Rebecca J. Gillis  
Stephanie Landaz Guanlao

Mark S. Halloran  
Jacob R. Hansen  
Susan Heltsley  
Sho Higuchi  
Eric S. Hill  
Gabriel B. Horowitz  
Samantha Huff-Schlueter  
Katrina Humlick  
Matthew T. Hurley  
Jamie Lynn Hyde  
Drew Kameo Iida  
Yuriy Y. Ikovlev  
Taylor Erick Jones  
Kelli Jenifr Justus  
Nichole Suzanne Karr  
Mark S. Kasminoff  
Pervin Kaur  
Christopher J. Kelly  
Robert M. Kettle  
Nicholas A. Klein  
Shellie-Ann M. Krajnak  
Chad B. Larson  
Magali Leal

Karina Michelle Lee  
Samuel J. Lee  
Timothy F. Lockinger  
Bradly S. Lords  
Beth Bovee Lucas  
Lynne M. Mahaffey  
Kevin A. Maillet  
Shannon L. Maynard  
Carey P. Means  
James Travis Miller  
Adam Gittelman Mirochnik  
Nicholas J. Moody  
Jeffrey D. Mosich  
Laura J. Murphy  
Yusufali F. Musaji  
Michael Thomas Navin  
Eric Don Nielson  
John Charles Paine  
Kyung Jin Park  
Zachary Pehling  
Jake Trahern Rader  
Janna Rager

Erbin J. Ramirez  
Shamika J. Ratwatte  
Joanna Raubolt  
Diana Rivera  
Greg J. Rodriguez Jr  
Alexander Rose  
Adam Lynn Ryan  
Heather Lynne Samudio  
Ezequiel M. Sanchez  
Angelique Senour  
Gary John Spicer  
Ryan M. Stanley  
Damon N. Sullivan  
Roosevelt Khiry Thomas  
Robert Earl Wagner  
Chad A. Waldron  
Summer K. Wallace  
Daniel Weishar li  
Leah Marie White  
John Williams  
Gerald Yann

## LICENSE RENEWAL TIME

Every year a number of CPAs forget to renew their license. The Board considers failure to renew the license a serious matter. Be sure to maintain a current email address and mailing address with the Board and renew your license on time!

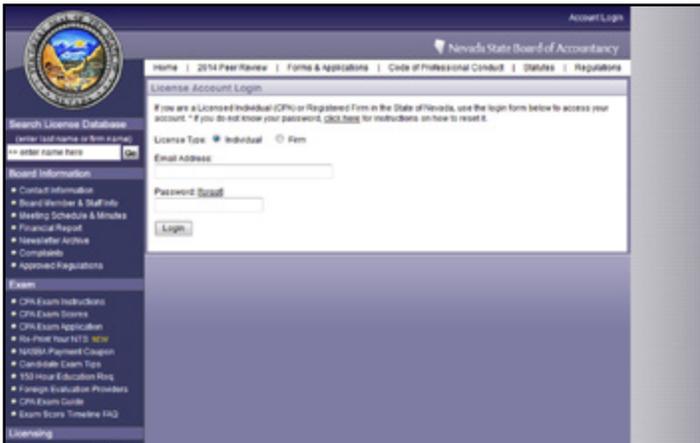
License renewal notifications will be emailed to all licensed CPAs and CPA firms during the first week of December 2019. Individuals without an email address will receive the notification by mail. You will NOT be able to renew your license prior to receipt of the notification.

If you do not receive your license renewal notification, be sure to visit the Board's website at [www.nvaccountancy.com](http://www.nvaccountancy.com) to renew your license before the deadline date of January 31, 2019.

If your contact information has changed you can change the information by logging into your account or during the on-line renewal process.

## CONTINUING PROFESSIONAL EDUCATION

The CPE reported during the renewal cycle should be completed during the calendar year 2019. If CPE is completed outside the calendar year required (2019), penalties will be assessed. You can verify the required CPE for calendar year 2019 by visiting the Board's website ([www.nvaccountancy.com](http://www.nvaccountancy.com)) and logging into your account.



## ACCOUNT LOG IN

The Board's website includes an account login section. This section allows individuals and firms to review information pertaining to their license or registration.

Information available includes an update section for contact information, ability to print wallet cards, previously submitted renewals and continuing education, CPE Audit submissions, and Peer Review information. You will also be able to renew your license by logging into your account.

You will need your email and password in order to access your account information. If you do not remember your password, just click the forgot password link which will send an email with resetting instructions.

## PRINTING YOUR WALLET CARD

In an effort to utilize technology while being cost efficient, the Board no longer prints or mails the wallet card following license renewals. You can print your wallet card any time by logging into your account. You will also have the ability to print your wallet card information once you complete the on-line renewal process. A confirmation receipt of your renewal will be sent to your email address and this will also include the links to print your renewal form and the wallet card.

In the event you wish to order a plastic wallet card, information to purchase through NASBA will be provided in the confirmation email.

# PEER REVIEW (Continued from page 1)

## Board Peer Review Reporting

Individual licensees are selected rather than firm selection to assure that individuals that may be performing these services outside of their normal employment are still obtaining the required peer review.

Each year one-third of the licensee population is requested to submit reports in accordance with Nevada's Practice Monitoring Program (Peer Review).

Licensees that perform attestation services (audit, review and full disclosure compilations) are required to enroll in a peer review program, schedule the peer review and once that process has been completed, report to the Board the peer review report and letter of acceptance/completion. Individuals that do not provide these types of services OR are employed by a firm that has peer review can submit an exemption form.

## Undergoing Peer Review

Peer reviews are required for licensees providing audits, reviews, and/or full disclosure compilations. Even if you have performed only one of these types of engagements, you must still undergo peer review. The Nevada Society of CPAs (NVCPA) and the National Peer Review Program (NPRC) administer the American Institute of Certified Public Accountants (AICPA) Peer Review program for Nevada.

The average length of time to complete a peer review is three to seven months. The following list is provided to assist you in understanding the necessary steps for completing a peer review:

1. Licensee enrolls in the AICPA Peer Review Program through the Nevada Society of CPAs (NVCPA) or NPRC.
2. NVCPA/NPRC assigns a peer review due date.
3. Licensee selects a qualified peer reviewer and reports the selected reviewer to the Peer Review agency to obtain approval that the reviewer is qualified to perform their peer review.
4. Peer Reviewer performs the peer review.
5. Peer Reviewer submits the peer review report to NVCPA/NPRC.



6. NVCPA/NPRC performs a technical review of the peer review.
7. NVCPA/NPRC sends the licensee an acceptance letter unless additional follow up is required or needed.

If you are unable to complete the peer review by the reporting date and obtain approval for submission to the Board by the deadline, you still must respond to the Board's request for peer review information by the reporting deadline. You will need to include in your response an explanation regarding the status of your peer review.

If you need additional time to complete the peer review, NVCPA may, in limited situations, grant you an extension to complete the peer review. Requests for extensions must be submitted directly to the NVCPA as the Nevada Board is not authorized to grant such requests. Should you receive an extension, please notify the Nevada Board office.

## Reporting your Peer Review to the Nevada Board

The NVCPA and NPRC do not report peer review results or provide a copy of the peer review to the Nevada Board. The Board has access to a facilitated access program if the firm/licensee has opted into the sharing of this information. Therefore you must respond to the Board with the requested peer review documents or information that indicates you have opted into the program.

Additional information regarding peer review can be found on the Board's website at [www.nvaccountancy.com](http://www.nvaccountancy.com) or you can contact the Board office.

# 2019 CONTINUING PROFESSIONAL EDUCATION AUDIT REPORT

Nevada Revised Statute 628.386 provides the Nevada State Board of Accountancy with the authority to prescribe regulations for the conduct of the continuing education program. One of the control procedures adopted by the Board is an annual documentation review of continuing education credits claimed by licensees. Licensees are randomly selected to participate in the continuing education audit. The following is a report of the audit results:

**237** TOTAL

Total Licensees selected to participate in the CPE Documentation Audit

## Nevada CPE Compliant

181

Satisfactory responses with supporting documentation

5

Increase adjustments based on additional courses not previously claimed

4

Decrease adjustments based on lack of evidence to support CPE claimed still in compliance with requirement

1

CPE Shortage based on inability to support courses claimed – Shortage has been resolved and penalties paid

**191** TOTAL

Total Nevada CPE Compliant

## Out of State CPE Compliant

45

Out of State responses supporting CPE Compliance in home state

1

Out of State Exemption Claimed Incorrectly – Licensee providing CPE

**46** TOTAL

Total Out of State Responses

The Nevada State Board of Accountancy appreciates the cooperation received from participating licensees. All licensees are encouraged to maintain the necessary documentation for continuing education that is intended to be used for credit under Regulation (NAC) 628.210 -250.

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# DISCIPLINARY REPORT

In accordance with **NAC 628.450**, disciplinary actions that are a matter of public record are reported in the Newsletter for the information of licensees and the general public. Questions regarding these matters should be directed to the Board office. The following is a report of actions taken by the Nevada State Board of Accountancy. The report of discipline is provided in chronological order beginning with January 2019 through August 2019.

**Kevin G. Breard, CPA and Breard & Associates, Inc. CPAs** were disciplined by the Board in March 2019 based on disciplinary action by the PCAOB. The Board approved a Stipulated Findings of Fact, Conclusions of Law, Disciplinary Order and Decision with the following provisions:

1. BREARD's Certified Public Accountant's Certificate No. CPA-4411R and BREARD AND ASSOCIATES' registration CORP-0526 shall be placed on probation until August 9, 2023, the five-year period concurrent with the PCAOB suspension and bar in its Order issued August 9, 2018.
2. BREARD will complete 24 hours of continuing professional education ("CPE"), to include a minimum of 16 hours in attestation and 8 hours in practice management, in addition to his regular required annual CPE by December 31, 2019 and provide copies showing completion with his 2020 annual renewal. In the event another licensing jurisdiction imposes other CPE requirements, BREARD may submit a request to adjust the attestation and practice management hourly CPE requirements set forth above. The decision whether to adjust the CPE components shall be within the sole discretion of the Board.
3. BREARD will not associate with a PCAOB registered public accounting firm or accept any engagements to audit any issuer, as defined in Section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78(c)), during the probationary period.
4. BREARD and BREARD AND ASSOCIATES will forward copies of any correspondence with the PCAOB or Securities and Exchange Commission or their respective Staffs concerning the PCAOB Order discussed herein to the Board during the probationary period within 10 days of its date.
5. During the probationary period, BREARD and BREARD AND ASSOCIATES shall provide quarterly reports to the Board listing the names of new clients in Nevada for which attest services will be provided and the nature of the services to be provided.
6. If performing attest services for non-public clients in Nevada, BREARD and BREARD AND ASSOCIATES agree to pre-release reviews by a licensed certified public accountant for any attest work as defined in NRS 628.005 until the earlier of the probationary period ends or BREARD AND ASSOCIATES submits a completed peer review report as issued by the AICPA without comments. The cost of the pre-issuance reviews shall be borne by BREARD and BREARD AND ASSOCIATES. The certified public accountant preparing the pre-issuance reviews for BREARD and BREARD AND ASSOCIATES shall be approved by the Board. BREARD and BREARD AND ASSOCIATES shall submit engagement quality review reports to the Board within thirty (30) days of the issuance of each report.
7. BREARD and BREARD AND ASSOCIATES agree to pay a civil penalty of \$5,000.00 and pay the Board's investigative and attorney's fees and costs of \$2868.50 associated with this Consent Order. Prior to the expiration of the probationary period, BREARD and BREARD AND ASSOCIATES may pay in full and at any time the civil penalty and investigative costs totaling \$7,868.50, or in 48 monthly installment payments of \$163.92 each due on the 15th day of each month. With prior approval of the Board's Executive Director, BREARD and BREARD AND ASSOCIATES may as an alternative to monthly payments, pay in advance \$655.71 (constituting a quarterly payment), or \$1,311.42 (constituting a semi-annual payment).
8. BREARD and BREARD AND ASSOCIATES may petition the Board to remove their respective Certificate and registration from the probation restrictions and conditions in this Consent Order once the outstanding civil penalty and fees and costs are paid in full, the CPE required has been completed to the satisfaction of the Board, and a completed peer review report as issued by the AICPA without comments has been submitted. The decision whether to remove the probation restrictions and conditions shall be within the sole discretion of the Board.
9. BREARD and BREARD AND ASSOCIATES' failure to comply with any of the terms and conditions of these Stipulated Findings of Fact, Conclusions of Law, Disciplinary and Consent Order shall result in the immediate revocation of KEVIN G. BREARD's CPA Certificate Number CPA-4411R and BREARD AND ASSOCIATES, INC. CPAS registration CORP-0526 without any further action or proceeding before the Board.
10. This Decision will be published in accordance with NAC 628.450.

**Revocation - Failure to Renew License.** The Board at its May 2019 Board Meeting revoked the following CPA Certificates for Non-Payment of the 2019 License Renewal Fee and Non-Compliance with the 2018 CPE requirement:

Bobbi Rooney  
Haley Schultz

# BOARD CALENDAR

## 2019 Board Meeting Dates & Locations

September 11, 2019    Wednesday    Snell & Wilmer  
3883 Howard Hughes  
Pkwy #1100  
Las Vegas NV 89169

November 13, 2019    Wednesday    First Independent Bank  
5335 Kietzke Lane,  
2nd Floor  
Reno NV 89511

## State Recognized Holidays

Labor Day	September 2	Monday
Nevada Day	October 25	Friday
Veteran's Day	November 11	Monday
Thanksgiving	November 28 & 29	Thurs/Friday
Christmas Day	December 25	Wednesday

## Have You Moved?

NAC 628.100 requires all permit holders to notify the Board within 30 days of a change in mailing address. Please go online and submit your changes electronically at [www.nvaccountancy.com](http://www.nvaccountancy.com)

If you are unable to provide the information via the website you may forward your changes to the Board at the information below.

Change of Mailing Address:

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_  
Zip Code \_\_\_\_\_ - \_\_\_\_\_

Change of Employment:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ - \_\_\_\_\_

Email: \_\_\_\_\_

Phone #(\_\_\_\_) \_\_\_\_ - \_\_\_\_ Home

(\_\_\_\_) \_\_\_\_ - \_\_\_\_ Business

CPA/PA CERT. # \_\_\_\_\_

Date of Change \_\_\_\_\_

Mail, Fax or Email any changes to:

### Nevada State Board of Accountancy

1325 Airmotive Way, Suite 220

Reno Nevada 89502

Phone = (775) 786-0231

Fax = (775) 786-0234

E-Mail = [cpa@nvaccountancy.com](mailto:cpa@nvaccountancy.com)