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January 16, 2018

Members of the Nevada State Legislature
Legislative Building
Carson City, Nevada

Biannual Status Report on Audits of Certain State Boards

NRS 218G.400 requires certain boards to be audited annually or biennially by contract auditors. The audit report must be filed by the board on or before December 1 of each year in which an audit is conducted. In addition, boards with revenue less than \$200,000 for any fiscal year must complete a self-reported balance sheet and submit it to the Legislative Auditor and the Chief of the Budget Division on or before December 1 following the end of that fiscal year.

Financial Reports Not Submitted

Two boards did not submit the required financial report:

<u>Board</u>	<u>Due December 1, 2017</u>
Board of Examiners for Marriage and Family Therapists and Clinical Professional Counselors	Annual audit report not submitted
Nevada State Board of Optometry	Annual audit report not submitted

Additional Information—Board of Examiners for Marriage and Family Therapists and Clinical Professional Counselors

In December 2017, the Board of Examiners for Marriage and Family Therapists and Clinical Professional Counselors informed us the auditors found questionable activity that resulted in the termination of two staff and an investigation by the Office of the Attorney General. The auditors have stated that they will not close the audit until the investigation is completed. The Board was unable to provide an expected audit completion date.

Additional Information—Nevada State Board of Optometry

In June 2017, the Nevada State Board of Optometry was notified that required disciplinary action reporting for multiple quarters going back to December 2015, had not been

submitted to the Legislative Counsel Bureau. Because of this noncompliance, we informed the Board in August 2017 it must submit a financial audit for fiscal year 2017, in addition to the regular biennial audit that was due for fiscal year 2015 and 2016. Subsequently, the 2015-2016 biennial audit was received timely and, the Board notified us the annual audit for 2017 was in progress but the estimated completion date was not available.

Boards Current With Filing Requirements

The following boards submitted audit reports or balance sheets for the year ended June 30, 2017, and are current in filing their required reports.

Nevada State Board of Accountancy
Board of Examiners for Alcohol, Drug and Gambling Counselors
State Board of Architecture, Interior Design and Residential Design
Board of Athletic Trainers
Certified Court Reporters' Board of Nevada
Chiropractic Physicians' Board of Nevada
State Contractors' Board
State Board of Cosmetology
Board of Dental Examiners of Nevada
Board of Dispensing Opticians
Nevada Funeral and Cemetery Services Board
Board of Homeopathic Medical Examiners
State Board of Landscape Architecture
Board for the Regulation of Liquefied Petroleum Gas
Board of Examiners for Long-Term Care Administrators
Board of Massage Therapy
State Board of Nursing
State Board of Oriental Medicine
State Board of Osteopathic Medicine
State Board of Pharmacy
Private Investigator's Licensing Board
Board of Psychological Examiners
State Board of Professional Engineers and Land Surveyors
Board of Registered Environmental Health Specialists
Board of Examiners for Social Workers
Speech-Language Pathology, Audiology and Hearing Aid Dispensing Board
Nevada State Board of Veterinary Medical Examiners

All other boards not identified are currently in compliance with NRS 218G.400.

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Financial Information–All Boards

See Attachment A for an overview of financial data on all occupational licensing boards.

Please contact me at (775) 684-6815 if you have any questions regarding this letter.

Sincerely,



Rocky Cooper, CPA
Legislative Auditor

RC:sy

Attachment

cc: The Honorable Brian Sandoval, Governor of Nevada
Michael J. Willden, Chief of Staff, Office of the Governor
James R. Wells, CPA, Director, Office of Finance, Office of the Governor
Nikki Haag, Boards and Commissions Officer, Office of Governor
Carol M. Stonefield, Chief Principal Research Analyst, Research Division,
Legislative Counsel Bureau

Attachment A
Occupational Licensing Boards
Financial Information
2017

Board	Revenues	Expenditures	Fund Balance/ Net Assets
1 Contractors	\$ 6,503,819	\$ 6,488,536	\$ 8,283,160
2 Medical Examiners ²	4,186,700	4,060,672	1,398,648
3 Nursing	3,157,484	3,134,069	2,398,830
4 Pharmacy ⁴	2,620,095	2,974,492	(662,314)
5 Cosmetology ⁴	2,206,665	2,397,747	(1,897,327)
6 Private Investigators	1,527,641	1,490,706	404,182
7 Dental Examiners	1,326,131	1,168,331	950,744
8 Professional Engineers and Land Surveyors	1,018,529	831,748	2,279,896
9 Massage Therapists ⁴	1,017,152	801,035	(178,884)
10 Architecture, Interior Design & Residential Design ⁴	771,101	822,661	(94,171)
11 Osteopathic Medicine	698,236	664,861	559,850
12 Accountancy	641,690	625,087	750,982
13 Chiropractic Physicians ⁴	397,326	349,509	(53,703)
14 Liquefied Petroleum Gas ⁴	387,442	393,758	(73,669)
15 Social Workers ⁴	382,394	411,771	(320,591)
16 Physical Therapy Examiners ¹	382,301	394,711	119,364
17 Veterinary Medical Examiners	372,794	439,437	154,865
18 Funeral & Cemetery Services	309,921	282,208	299,426
19 Long-Term Care Administrators	267,665	155,563	296,800
20 Occupational Therapy ¹	229,193	181,083	657,869
21 Alcohol, Drug, and Gambling Counselors ⁴	220,164	246,556	(55,202)
22 Optometry ^{1,3}	201,261	142,231	384,214
23 Psychological Examiners	185,709	216,934	88,032
24 Speech-Language Pathology, Audiology and Hearing Aid Dispensing	139,065	154,448	137,676
25 Dispensing Opticians	123,240	128,674	84,582
26 Barbers' Health and Sanitation ¹	94,777	72,342	112,490
27 Certified Court Reporters	82,626	77,412	84,416
28 Landscape Architecture	78,052	73,834	74,224
29 Podiatry ¹	67,702	57,319	164,601
30 Oriental Medicine	61,737	80,294	135,101
31 Athletic Trainers	40,915	31,611	89,402
32 Homeopathic Medical Examiners ⁵	39,800	55,436	(132,525)
33 Registered Environmental Health Specialists	32,180	27,875	40,172
34 Marriage and Family Therapists and Clinical Counselors ³			

¹ - Amounts listed are from the audit report for the period ended June 30, 2016, as these boards report biennially.

² - Board has a December 31 fiscal year end. Amounts listed are from December 2016 audit report.

³ - Board did not submit the required financial report.

⁴ - Deficit fund balance is the result of implementation of GASB 68, *Accounting and Financial Reporting for Pensions*.

⁵ - Deficit fund balance is because Board owes over \$145,000 to the Office of the Attorney General.