



Brian Sandoval
Governor

STATE OF NEVADA
BOARD OF OCCUPATIONAL THERAPY

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Loretta L. Ponton
Executive Director

**SUNSET SUBCOMMITTEE OF THE LEGISLATIVE COMMISSION
SUPPLEMENTAL INFORMATION**

What is the practice of Occupational Therapy?

“Occupational Therapy” means the use of evaluations, teachings and interventions to facilitate the activities of daily living of a client in groups or on an individual basis to enable the client to participate and perform activities of daily living in various settings, including, without limitation, at home, at school, in the workplace and in the community.

NRS 640A - History of the Board of Occupational Therapy - Attachment A

The Board of Occupational Therapy has developed the attached “History of the Board of Occupational Therapy” which is utilized for Board orientation and made available to the public on the Board’s website. The publication is updated annually. Highlights are as follows:

- Historical Laws and Regulations summary
- Board Operations and Staffing
- Historical Licensing Statistics
- Historical Revenue Budget to Actual
- Board Member Appointments

Licensing Fees / License Terms / License Renewal

The Board is funded solely from licensing fees and does not receive funding from the state general fund. The Board’s current fees with comparison to surrounding states is provided as attachment 7..

The Board’s fees are established through regulation. The licensing fees were updated in 2008 when the Board conducted a complete review of the regulations.

In 2014, with the addition of on-line services, the Board eliminated fees for duplicate licenses and name changes. Also, the term of a license was revised, effective July 1, 2015, to expire one-year from date of issuance, a change from a static June 30th expiration date.

On March 24, 2018, the Board adopted regulation LCB File No. R067-17. Included in this regulation is a change to the term of a license from one (1) year to two (2) years from date of issuance, **without a change in the licensing fee.**

Reserve Funds

The change in license term will effectively “reduce” or spread the license fees and renewal fees over a two year period, reducing the overall fees for new and current licensees; and impact the cash “reserve balance” funds held by the Board. It is estimated a reduction in the Board’s cash balance in FY 19 will be approximately \$80,000 - \$100,000.

Attachment C provides a visual 8 year Reserve History and 8 Year Reserve Per Licensee. The Board’s number of licensees has significantly increased, averaging 9.7% per year. This increase in licensees impacts operations and cash balances. The actual cash reserve per licensee has decreased each year.

The Board has scheduled a Board Retreat in August, 2018, at which time the Board will be conducting long-term planning and a complete holistic review of operational functions, future needs in staffing, facilities, operations and structure and will establish goals and policies, including a “reserve funds” policy, to address those needs. In addition, the Board will be evaluating the regulatory fees and financial impact of potentially reducing and/or revising the licensing fee structure in line with the long-term plan.

Reserve funds policy categories to be discussed include but are not limited to set asides for legal fees, investigations and disciplinary hearings, legislative services and costs of implementing legislative mandates, licensing software enhancements to enable on-line applications, expansion of website and on-line services, and potential equipment upgrades.

Audits / Financial Reports

Audit Reports - Revenue: categorizes all fees and receipts other than licensee fees into the Other Fees line item.

Other Fees include application processing fees and late renewal fees and reimbursement of AG attorney fees, as a result of disciplinary actions taken by the Board. Reimbursement of legal fees totaled \$ 220 in FY 2015, \$1,420 in FY 2016, and \$1,850 in FY 2017.

The Board does not have the authority to issue “fines” other than an administrative fine for unlicensed practice. No fines have been issued. Fines would be remitted to the State Treasurer for credit to the general fund.

Sub-lease income is the result of administrative cost sharing agreements with two small regulatory boards who are co-located with the Board of Occupational Therapy. The Board has adopted ***Policy 14 - Administrative Cost-Sharing***, provided in Attachment B.

Investment income is interest on funds held in certificates of deposit. The Board has adopted ***Policy 08 - Investment of Funds***, provided in Attachment B.

Biennial Audit Report - Expenses

Legal Fees: The Board utilizes the services of the Attorney General and does not employ or contract for outside legal counsel.

Continuing Education: The Board provides CE seminars for licensees, this line item reflects the costs of providing the seminars.

Meeting Expense: Costs for Board meetings; in FY 16 the Board held a two day/meeting and retreat that was approved subsequent to the budget approval resulting in the additional expenses.

Professional Fees: Independent contract for legislative services and expense for bookkeeping and payroll services.

Salaries and related benefits: The Board pays social security taxes and does not offer retirement or medical benefits.

Fiscal Year 2017 Financial Reports (unaudited) and Fiscal Year 2018 as of December 31, 2017 are provided.

Attachments

Attachment A: History of the Board of Occupational Therapy

Attachment B: Policy 08 Investment of Funds and Policy 14 - Administrative Cost Sharing

Attachment C: 8 Year Reserve History, Reserve Per Licensee

1. Operating Budgets:
 - Fiscal Year 2018 / Fiscal Year 2017
 - Fiscal Year 2016
2. Income and Expense Statements / Balance Sheets
 - Balance Sheet Previous Year Comparison: Dec 31, 2017;
 - Balance Sheet Previous Year Comparison: June 30, 2017
 - Fiscal 2018 Profit and Loss Budget vs. Actual as of December 31, 2017
 - Fiscal 2017 Profit and Loss Budget vs. Actual
 - Fiscal 2017 Balance Sheet
 - 3 Year Profit and Loss Comparison FY 15, FY 16 & FY 17
3. Audits - Biennial Audit, Fiscal Years 2015 - 2016
4. Reports - There are no reports required to be filed with the Governor or Legislature.
5. Organizational Chart: BOARD OF OCCUPATIONAL THERAPY
 - Board Members
 - Deputy Attorney General
 - Executive Director
 - Executive Assistant/Licensing Specialist
 - Licensing Assistant
6. Strategic Plan: There is no formal written strategic plan for the Board.
7. Occupational Licensing Fees: NAC 640A.160
 - Comparative Fee Analysis with Arizona, California, Idaho, Oregon and Utah



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SUNSET SUBCOMMITTEE OF THE LEGISLATIVE COMMISSION

ATTACHMENT A

HISTORY OF THE BOARD OF OCCUPATIONAL THERAPY

History of the Board of Occupational Therapy

1992 - 2017

Legislation - Nevada Revised Statutes (NRS) 640A

June 18, 1991 **Board of Occupational Therapy was Created**

- 1991 SB246: Created the Board of Occupational Therapy and established the initial role and responsibilities of the Board to license and regulate the practice of occupational therapy.
- 1995 SB 3: Removed the requirement that the OT Association must refer individuals to the Governor for appointment to the Board and established a process for the Governor to fill positions when a member resigns prior to the end of their term.
- 2003 SB 27: Added Athletic Trainers to professions exempt from licensure by the Board.
- 2005 SB 163: Added prohibition for renewal of a license if the person does not comply with child support orders; requires an applicant to provide their social security number on the application for licensure.
- 2007 SB 412: Clerical revisions to reference “Chapter” replacing reference to “Section”.
- 2009 SB 362: Requires complaints to be retained 10 years and added to unprofessional conduct subject to disciplinary action, the operation of a facility while that facilities license has been suspended or revoked.
- 2013** **SB 153:** The Board’s bill making major revisions and updates to NRS 640A. Added Occupational Therapists as a “provider of health care” in NRS 622 Healing Arts; and updated the Scope of Practice among other areas. Every section of the law was updated and/or revised to reflect current practices.
- SB 246: Added authority for inspection of premises, citations for unlicensed practice, filing of anonymous complaints, and referrals of complaints to appropriate Board or entity.
- 2015 AB 89: Provides authority for but does not require license by endorsement and expedited licensing for veterans, members of the military and families and establishes processing timelines for such applications.
- SB 68: Similar to AB 89 authorizing license by endorsement for other than military related individuals.
- 2017 SB 69: Requires Boards not otherwise authorized, to issue a license by endorsement, establishes timelines for issuance of a license by endorsement, and adds additional reporting requirements related to licensing activities; limits the term of a Board member to 12 years unless there are 250 or less licensees regulated; and revised provisions relating to payment of fees for legal services on a contingent basis.

AB 19: Revises veteran-related information reporting requirements on licensees who have applied, been issued and renewed a license; report to be submitted annually.

AB 328: Increased the revenue cap from \$75,000 to \$200,000, before an audit of the financial records are required. Under \$200,000 in revenue, a Board may provide an annual balance sheet; prohibits a person from being “employed” as an Executive Director for more than one Board; and prohibits an attorney employed by a Board from also prosecuting a case before the Board.

SB 137: Adds additional questions that must be answered by a veteran applying for licensure.

Regulations - Nevada Administrative Code (NAC) 640A

The first regulations of the Board were adopted effective 12/23/92; additional implementing provisions were added effective 5/23/95.

The formal administrative process for adoption of regulations was implemented after 1995. The state’s Administrative procedures require a complete review every 10 years and interim reviews every 3 years to ensure regulations are current.

- R083-99 Adopted 9/27/99: Adopted AOTA Code of Ethics and Standards of Practice, moved expiration date of license to June 30th, clarified continuing education activities, established OT can be provided in non-medical setting.
- R179-01 Adopted 9/20/02: Created a provisional license and established the requirements for obtaining that license, term of license, fee, and supervision of COTA and provisional licensee.
- R210-07 Adopted 9/18/08: This was the first major revision to the regulations after the Board conducted a complete review of its regulations codified in NAC 640A. New sections were added and existing sections were revised and updated, including the fee structure.
- R017-14 Adopted 10/24/14: Added requirements passed at the 2013 Legislative Session to require name tags, and to assess an administrative fine for practice with an expired license; establish the late renewal period at 30 days after expiration, allow a COTA to delegate duties to a technician or aid and removed fees for a name change and duplicate license.
- R048-15 Adopted 2/19/16: Updated continuing education requirements increasing the number of hours required to 12 hours annually. Twelve (12) hours of CE was required for license renewals beginning in 2017.

Other Applicable Laws and Legislation

The Board of Occupational Therapy is governed by additional laws and legislation and must adhere to those requirements in conducting its business and operations. The Board is exempt from the State Budget Act (NRS 353.005) and receives no funding from the State General Fund. A partial listing of applicable laws include but is not limited to the following:

Title 17 State Legislative Department - NRS 218G Legislative Audits

Title 18 State Executive Department - NRS 232A Appointments by the Governor to Public Bodies, NRS 232B Legislative Review of Public Agencies, NRS 233B Nevada Administrative Procedures Act

R1.18 History of the Board of Occupational Therapy

Title 19 Miscellaneous Matters Relating to Government and Public Affairs - NRS 241 Meetings of State and Local Agencies (Open Meeting Law)

Title 23 Public Officers - NRS 281 General Provisions, NRS 281A Ethics in Government; NRS 282 Official Bonds and Oaths and NRS 283 Resignations, Vacancies and Removals

Title 54 Professions, Occupations and Business - NRS 622 General Provisions, NRS 622A Administrative Procedures and NRS 629 Healing Arts

In addition to State laws, the Board has the responsibility to adhere to specific requirements contained in the State of Nevada Administrative Manual (SAM).

Board Operations

Board Staff

Loretta Ponton, Executive Director	September 1, 2006 to June 30, 2014, Independent Contractor July 1, 2014 Salaried Employee
Stacey Whittaker Executive Assistant/Licensing Specialist	September 1, 2017 to present
Brooke Megill, Licensing Assistant	September 17, 2017 to present; part time

Previous Staff

Lorraine Pokorski, Administrator	1994 to 2006, Independent Contractor
Erica Mendoza, Licensing Specialist	August 1, 2011 to December 31, 2012, part-time employee
Angela Nichols, Licensing Specialist	December 13, 2012 to July 24, 2017, part-time employee

Administrative Office

1992 - July 30, 2011	Home Based Office
August 1, 2011 - July 31, 2014	1595 Robb Drive, Unit 3, Reno, Nevada 89523 752 Square Feet - landlord did not renew lease
August 1, 2014 - present	6160 Mae Anne Ave., Suite 3, Reno, Nevada 89523 1252 Square Feet

Co-location Agreements:

2/1/12	Speech-Language Pathology, Audiology and Hearing Aid Dispensing Board
9/1/15	Board of Registered Environmental Health Specialists

Board of Occupational Therapy

The Board was created by Legislative action, effective June 18, 1991. The first Board members were appointed to staggered terms beginning with three members appointed effective January 1, 1992. Two additional members were appointed in 1994 and served through 2000, one year past their term end date. This created a situation of four positions being open at the same time. After thorough research by the Governor's office at the request of the Board, staggered terms were reinstated with appointments to modified terms beginning in 2014. The Board member positions are now back to staggered terms with no more than 2 positions open for appointment in any one year.

The licensing activities of the Board began in 1993 when the first 111 individuals obtained their state OT licenses. The Board's first Administrator was hired on a contract basis to work to handle the Board administration. The Board did not have sufficient funding to open an office; all activities were conducted from the home of the Administrator.

By 2005, the number of licensees had increased to 586; the Board had new members who were knowledgeable of state financial and administrative requirements. The Board formally issued a Request for Proposals for a part-time executive director and selected Loretta Ponton as their executive director, as an independent contractor effective September 1, 2006. The Board administration continued as a home-based position.

In 2008, the Board licensing process was automated with the addition of the GL Suite, licensing and regulatory software system. All current licensee records were converted and historical licensees' data was manually input into the system. The system includes automated on-line license renewal and compliance modules for auditing continuing education and supervision requirements.

In March, 2010 the Board adopted an investment policy and moved funds to an account to be invested in one to five year certificates of deposit.

By 2011, the number of licensees increased to 770 and the Board finances had strengthened. The Board approved a move to a physical office and the Board's Administrative Office opened to the public on August 1, 2011. A part-time licensing specialist was hired; and the Board considered moving the Executive Director position to employee status; however, decided to keep the position as a contractor.

In November 2011, the Board approved a proposal by the Executive Director to provide contract executive director services for the Board of Examiners for Audiology and Speech Pathology, contingent upon co-location with the Board of Occupational Therapy. The proposal was accepted and a co-location agreement was signed by both Boards, effective February 1, 2012.

The Executive Director position was moved from an independent contractor to a salaried employee on July 1, 2014.

The Board Administrative office relocated August 1, 2014. The new location included a conference room for Board meetings, teleconferences and other activities, and sufficient space to accommodate co-locations within the facility. The Board of Registered Environmental Health Specialists asked to share administrative space in September 2015 and joined the Speech-Language Pathology, Audiology and Hearing Aid Dispensing Board in co-location with the Board of Occupational Therapy offices on a cost-sharing basis.

The number of licensees has increased steadily; as of June 30, 2017, there are 1201 licensees, an increase of 1090 since the initial 111 were licensed in 1992.

Complaints and Disciplinary Actions

The Board of Occupational Therapy is charged with the protection of the public through the investigation and disposition of Complaints that may result in disciplinary action taken against an occupational therapy

practitioner. Since 2006, the Board has investigated 38 complaints; 19 complaints resulted in disciplinary actions imposed by the Board. Four (4) complaints resulted in revocation of licensure.

Board Activities

The Board provides no-cost Continuing Education Seminars for licensees annually. The seminars are held in both Las Vegas and Reno normally in the late fall. Seminar topics are selected based upon emerging practice and areas of interest with national presenters brought in to conduct the seminars.

The Board members are offered the opportunity to attend conferences and seminars; the National Board for Certification in Occupational Therapy provides an annual or semi-annual regulatory conference for state regulators that has been well attended by Board members and staff.

Historical Licensing History

As of 6/30/2017

Year	Total Licensees
1992	111
1993	146
1994	172
1995	213
1996	248
1997	299
1998	350
1999	383
2000	412
2001	463
2002	499
2003	521
2004	564
2005	586
2006	610
2007	647
2008	668
2009	677
2010	716
2011	770
2012	849
2013	871
2014	956
2015	1017
2016	1111
2017	1201

Historical Revenue Budget to Actual

FY 2007 to FY 2017

Fiscal Year	Budget	Actual Revenue
2007	116,600	127,857
2008	130,000	133,090
2009	137,700	134,914
2010	132,950	139,745
2011	144,400	163,823
2012	158,000	173,586
2013	176,600	191,056
2014	190,775	190,194
2015	209,500	202,711
2016	207,383	229,193
2017	230,275	234,151

Balance Sheet

FY 2017

Ended June 30, 2017

ASSETS

Cash and cash equivalents	\$ 850,715
Accounts receivable	127
Prepaid expenses	4,468
*Capital Assets	<u>3,399</u>

Total Assets \$ 858,709

LIABILITIES

Accounts payable and payroll	\$ 3,055
*Accrued leave	3,332
License fees received in advance	<u>183,347</u>

Total Liabilities \$ 189,734

FUND BALANCE / NET POSITION

*Invested in capital assets	\$ 3,399
Unrestricted	<u>665,576</u>

Total net position \$ 668,975

Total Liabilities and Fund Balance \$ 858,709

(*unaudited)

Board Member Appointments

As of 01/01/18

Position 1: Occupational Therapist

Charles Scharn,	OTR	01/01/92 - 12/31/94
Kimberly Hart	OTR	02/22/95 - 12/31/97; 01/01/98 - 12/31/00
William Shahrooz	OT	03/06/01 - 12/31/03 (resigned early)
Tonda Finley	OTR	11/15/01 - 12/31/03; 01/01/04 - 12/31/06
David Tanabe	OTR	01/01/07 - 12/31/09; 01/01/10 - 12/31/12
Linda Frasier	OTR	01/14/13 - 12/31/14; 01/01/15 - 12/31/17
Melissa Genovese	OTR	01/01/18 - 12/31/20

Position 2: Occupational Therapist or Occupational Therapy Assistant

Chelsea Szklany	OTR	01/01/92 - 12/31/92; 01/25/93 - 12/31/95
Karen Dubry	COTA	02/22/95 - 12/31/95; 01/01/96 - 12/31/98; 01/04/99 - 12/31/01 (resigned early)
Diana Bossart	COTA	10/01/01 - 12/31/01; 01/01/02 - 12/31/05
Kathryn Staley	COTA	01/05/06 - 12/31/08
Ron Tulak	COTA	01/01/09 - 12/31/11; 01/01/12 - 12/31/14
Deena Spaulding	COTA	07/01/14 - 12/31/16
Allison Stone	OTR	01/01/17 - 12/31/19

Position 3: Public Member

Gary Waters	Public	01/01/92 - 12/31/94; 01/01/95 - 12/31/96
Ryan Arnold	Public	03/06/01 - 12/31/03; 01/01/04-12/31/06
Ronda Moore	Public	01/01/07 - 12/31/09
Allison Stephens	Public	01/15/10 - 12/31/12; 01/01/13 - 12/31/15
Stacey Henderson	Public	03/17/15 - 12/31/17
Vacant	Public	

Position 4: Occupational Therapist

Susan Kopy	OT	01/01/94 - 12/31/96; 01/07/97 - 12/31/99 (holdover to 3/01)
Elizabeth Aillo	OT	03/06/01 - 12/31/03; 01/01/04 - 12/31/06
Penelope Fairbanks	OTR	01/01/07 - 12/31/09
Eric Gerken	OTR	01/01/10 - 12/31/12; 01/01/13 - 12/31/15
Maria Magpantay	OTR	01/01/16 - 12/31/18

Position 5: Occupational Therapist

Elizabeth Straughan	OTR	01/01/94 - 12/31/96; 01/01/97 - 12/31/99 (holdover to 3/01)
Margaret Feyge	OTR	03/06/01 - 12/31/03; 01/01/04 - 12/31/06
Elizabeth Straughan	OTR	01/01/07 - 12/31/09; 01/01/10 - 12/31/12
Kittima Conrad	OTR	01/12/13 - 12/31/13; 01/20/14 - 12/31/16
Elizabeth Straughan	OTR	01/01/17 - 12/31/19



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SUNSET SUBCOMMITTEE OF THE LEGISLATIVE COMMISSION

ATTACHMENT B

POLICY 08 - INVESTMENT OF FUNDS
POLICY 14 - ADMINISTRATIVE COST SHARING

State of Nevada
Board of Occupational Therapy

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Policy 08

INVESTMENT OF FUNDS

03-17-10

Checking Account

The Board maintains a checking account for the purpose of payment of general operating costs of the Board. All receipts and deposits are recorded into the checking account including credit card and check receipts and interest earned on investments.

- The checking account balance shall not fall below 50% of the approved annual budget for expenditures; or 6 months operating costs, whichever is lower.
- The checking account balance shall be reviewed and adjusted, if needed, to meet the operating needs of the Board upon approval of the budget for the subsequent fiscal year.
- Funds in excess of 150% of the approved budget may be made available for fixed-income investment purposes.

Investments

Funds in excess of 150% of operating needs may be invested in short and/or long term fixed income instruments, certificates of deposit (CD's). All investments must be fully insured by the federal government (FDIC).

- No investment term may exceed 60 months (5 years);
- No more than 25% of funds shall be invested for a term of 60 months.
- A minimum of 30% of funds shall be invested in instruments with terms of 24 months or less;
- Investments shall be made at the highest return rate available for the period.
- At least two investment instruments shall reach maturity each fiscal year.

Investment Authority

An Investment Workgroup comprised of two (2) Board members shall be established for the purpose of oversight of investment activities.

The Executive Director, under the guidance of the workgroup members, shall have the authority for final selection and execution of investment instruments.

A report on investment activities shall be provided by the Executive Director and/or Investment Workgroup at each regularly scheduled Board meeting.

State of Nevada Board of Occupational Therapy

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Policy 14

ADMINISTRATIVE OFFICE COST SHARING

11/19/16

Pursuant to the provisions of NRS Chapter 640A.100, the State Board of Occupational Therapy must pay the expenses of the Board from the fees received by the Board, and no part of those expenses and salaries may be paid out of the State General Fund.

All State professional regulatory Boards are governed by Nevada Revised Statutes with similar directives, that all expenses must be paid from the fees received by their Board. In addition, Boards must adhere to administrative and fiscally sound business practices.

NRS 281.110 requires that all state offices, departments, boards, commissions and agencies must maintain administrative offices open to the public and physically post the days and hours of operation at the office.

Small regulatory boards may not have sufficient funding to maintain and lease independent administrative offices or staff those offices pursuant to state directives.

The Board of Occupational Therapy has established Administrative Office space and may benefit from co-location and cost sharing agreements. Co-location and cost sharing reduces administrative costs, creates efficiencies in operations, and provides increased quality of services and public access to State of Nevada regulatory Board services.

The purpose of this policy is to establish the parameters for co-location and cost sharing within the Board of Occupational Therapy administrative offices by a Nevada regulatory board (requesting Board).

Current regulatory boards co-locating as of the adoption of this policy are the Speech-Language Pathology, Audiology and Hearing Aid Dispensing Board and the Board of Registered Environmental Health Specialists. Co-location and Cost Allocation Agreements have been executed pursuant to this policy. Additional co-location requests will not be considered until such time as the existing agreements are terminated.

CONSIDERATIONS

In determining whether co-location would benefit the Board, the Executive Director should consider the following factors:

Requesting Board:

1. Nature and function of the requesting regulatory Board;
2. Number of staff and hours staff will be physically present;
3. Furniture and equipment needs;
4. Number of professionals regulated, i.e. licensees;
5. Funding availability and annual budget.

Board of Occupational Therapy

1. Compatibility with functions of the Board of Occupational Therapy;
2. Potential impact on current staff and operations; and
3. Availability of space, shared or dedicated;
4. Security of facility

The Executive Director may negotiate a co-location agreement if it is determined that co-location may be beneficial to both the Board of Occupational Therapy and Requesting Board. The Co-Location and Cost Allocation Agreement will be consideration at the next scheduled meeting of the Board for approval.

COST ALLOCATION

Co-location cost allocation will be comprised of general operating/shared expenses which are general in nature; lease expenses which are incurred by the Board of Occupational Therapy through contractual lease agreement; and direct costs which are readily identifiable and specific to the Board for which the cost is incurred.

General Operating/Shared operating expenses to be allocated will be determined annually based upon the actual costs incurred during the previous fiscal year. General operating expenses include, but are not be limited to:

- (a) General office supplies;
- (b) copier and postage meter equipment lease/rental;
- (c) maintenance of equipment; and
- (d) internet service.

General operating/shared expenses will be allocated based upon % of total number of licensees regulated by each Board occupying the office as of June 30th of each fiscal year.

Lease expenses will be determined annually based upon the actual cost per square foot to be paid during the fiscal year pursuant to the facility lease agreement.

Lease expenses will be allocated based upon State of Nevada leasing services worksheet for allocation of space for pro-rated full time equivalent administrative clerical staff plus 20% of staff space for use of general common areas.

The Board of Occupational Therapy may revise annually, the costs allocated based on actual expenses incurred during the previous fiscal year or any changes to staffing levels of the requesting Board.

Direct Costs

The requesting Board will be responsible for payment of all direct costs associated with the administrative functions of the Board. Direct costs include, but are not limited to:

- (i) office furniture and computer;
- (ii) telephone lines and service;
- (iii) printing, direct supplies and incidentals;
- (iv) postage, metered and stamped

Annual Notice of Co-Location Cost Allocation

The Board of Occupational Therapy shall prepare and provide the requesting Board an annual Co-location Cost Allocation breakout for the fiscal year by July 31st of each year.

The Executive Director shall calculate the annual co-location cost allocation and provide notice as provided in this policy.

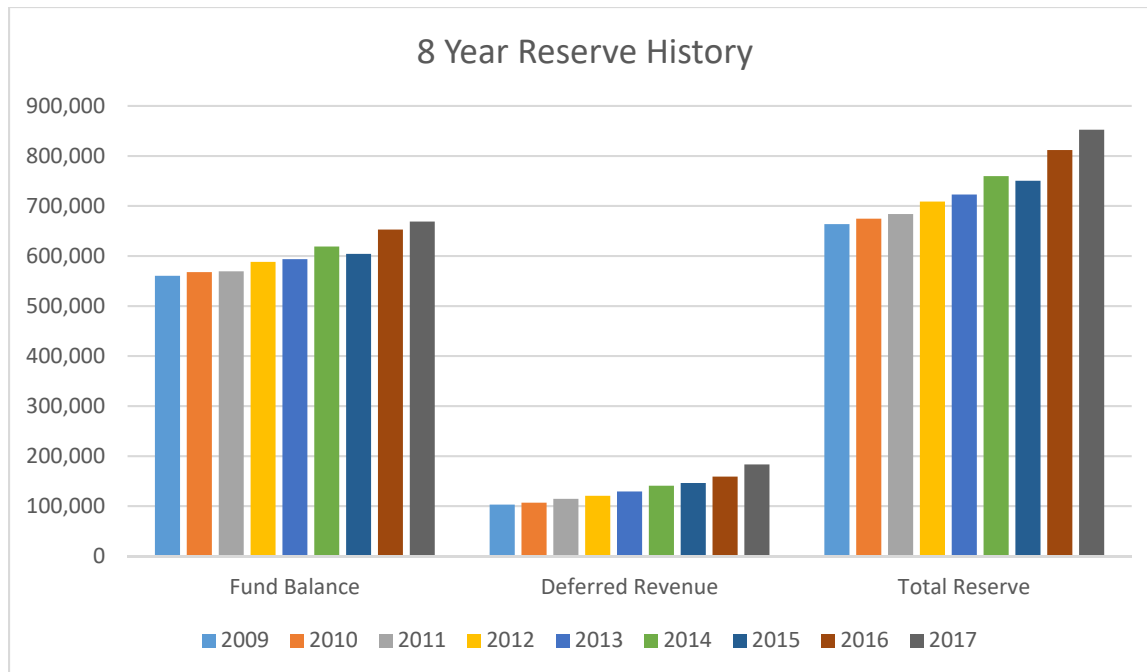


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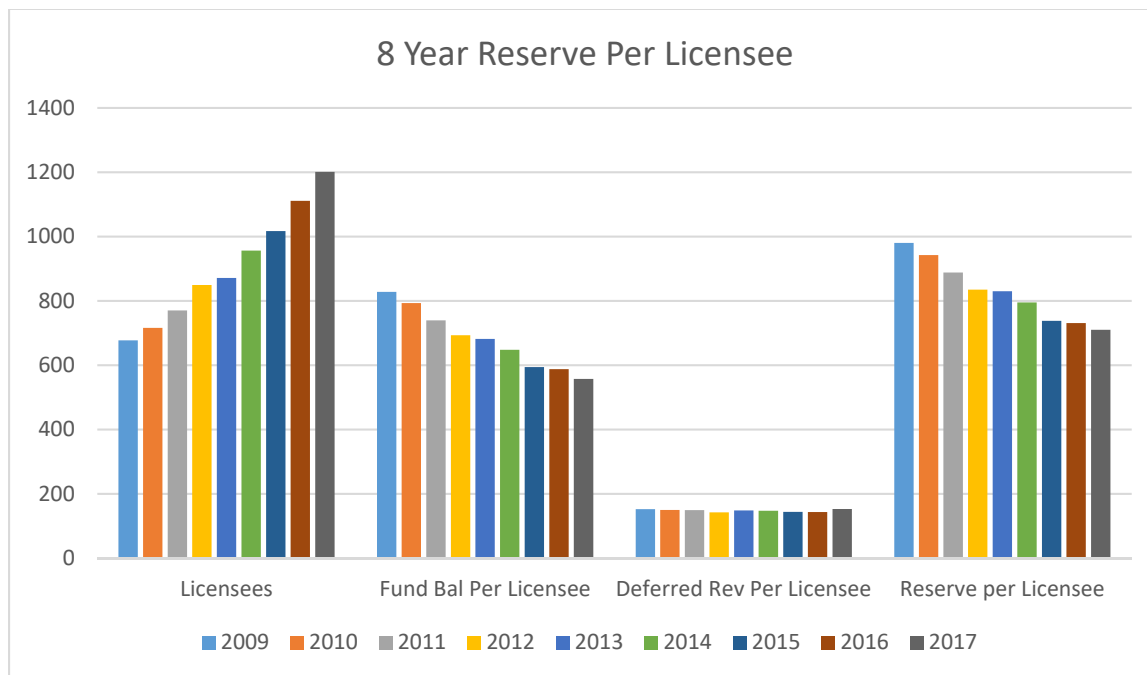
SUNSET SUBCOMMITTEE OF THE LEGISLATIVE COMMISSION

ATTACHMENT C

**8 YEAR RESERVE HISTORY
RESERVE PER LICENSEE**



Reserve balances have increased 19%; approximately 2.4% per year on average.



Licensees numbers have increased 78%; approximately 9.7% per year on average.
Fund Balance and Total Reserve **per Licensee** have decreased (27.6%).



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SUNSET SUBCOMMITTEE OF THE LEGISLATIVE COMMISSION

ATTACHMENT 1

OPERATING BUDGETS

**State of Nevada
Board of Occupational Therapy**

Comparison

BUDGET	2018	2017	Difference
Revenue			
Processing Fees	\$ 37,250.00	\$ 24,000.00	\$ 13,250.00
Licenses - Renewals	\$ 198,350.00	\$ 190,200.00	\$ 8,150.00
Miscellaneous / List Fees	\$ 5,925.00	\$ 5,875.00	\$ 50.00
Interest Income	\$ 6,200.00	\$ 3,600.00	\$ 2,600.00
Cost Sharing Income	\$ 6,873.39	\$ 6,600.00	\$ 273.39
Total Revenue	\$ 254,598.39	\$ 230,275.00	\$ 24,323.39

11%

Operating Expense

Audit Fees	\$ -	\$ 8,400.00	\$ (8,400.00)
Bank Fees - Merchant Svs	\$ 4,500.00	\$ 3,500.00	\$ 1,000.00
Equipment Purchase	\$ -	\$ -	\$ -
Equipment Rental	\$ 2,200.00	\$ 2,000.00	\$ 200.00
Insurance	\$ 2,000.00	\$ 2,000.00	\$ -
Legal Fees	\$ 10,000.00	\$ 5,500.00	\$ 4,500.00
Licensing Software Program	\$ 32,500.00	\$ 21,125.00	\$ 11,375.00
Maintenance / Repairs	\$ 350.00	\$ 350.00	\$ -
Meeting Expense	\$ 3,000.00	\$ 1,200.00	\$ 1,800.00
Office Lease	\$ 25,200.00	\$ 24,200.00	\$ 1,000.00
Office Supplies	\$ 2,500.00	\$ 2,000.00	\$ 500.00
Personnel Services	\$ 123,887.06	\$ 116,400.00	\$ 7,487.06
Postage	\$ 1,000.00	\$ 1,200.00	\$ (200.00)
Printing and Reproduction	\$ 500.00	\$ 500.00	\$ -
Professional Fees	\$ 9,950.00	\$ 18,750.00	\$ (8,800.00)
Technical Support/Website IT/Internet Svs	\$ 6,300.00	\$ 3,850.00	\$ 2,450.00
Telephone	\$ 1,500.00	\$ 1,200.00	\$ 300.00
Travel - In State	\$ 4,500.00	\$ 3,600.00	\$ 900.00
Travel - Out of State	\$ 5,000.00	\$ 5,000.00	\$ -
Sponsored CE Seminars	\$ 9,500.00	\$ 9,500.00	\$ -

Total Expense	\$ 244,387.06	\$ 230,275.00	\$ 14,112.06
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6%

Net Revenue / Expense \$ 10,211.33

State of Nevada
Board of Occupational Therapy
Fiscal Year 2016

July 1, 2015 - June 30, 2016

BUDGET	2016
Revenue	
Processing Fees	\$ 18,000.00
License Fees	\$ 173,425.00
Miscellaneous / List Fees	\$ 5,875.00
Other Income	
Interest Income	\$ 4,200.00
Cost Sharing Income	\$ 5,883.00
Total Revenue	\$ 207,383.00

Operating Expense	
Audit Fees	\$ -
Bank Fees - Merchant Svcs	\$ 5,000.00
Equipment Purchase	\$ -
Equipment Rental	\$ 1,250.00
Insurance	\$ 2,000.00
Legal Fees	\$ 12,205.75
Licensing Software Subscription	\$ 7,500.00
Maintenance / Repairs	\$ 350.00
Meeting Expense	\$ 1,000.00
Office Lease	\$ 23,600.00
Office Supplies	\$ 2,000.00
Personnel Payroll	\$ 111,127.25
Executive Director	\$ 88,811.25
Licensing Specialist	\$ 22,316.00
Postage	\$ 1,200.00
Printing and Reproduction	\$ 1,500.00
Professional Fees	\$ 6,800.00
Technical Support/Website IT/Internet Svcs	\$ 4,050.00
Telephone	\$ 1,200.00
Travel - In State	\$ 3,600.00
Travel - Out of State	\$ 8,000.00
Sponsored CE Seminars	\$ 15,000.00
Total Expense	\$ 207,383.00

Revenue Over / Under Expense	\$ 0.00
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STATE OF NEVADA
BOARD OF OCCUPATIONAL THERAPY
P.O. BOX 34779
Reno, Nevada 89533-4779
Phone: (775) 746-4101 / Fax: (775) 746-4105 / Toll Free: (800) 431-2659
Email: board@nvot.org / Website: www.nvot.org

SUNSET SUBCOMMITTEE OF THE LEGISLATIVE COMMISSION

ATTACHMENT 2

**INCOME AND EXPENSE STATEMENTS
BALANCE SHEETS**

State of Nevada Board of Occupational Therapy
Balance Sheet Prev Year Comparison
As of December 31, 2017

	<u>Dec 31, 17</u>	<u>Dec 31, 16</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Current Assets				
Checking/Savings				
Wells Fargo Bank - Checking	281,540.41	240,482.49	41,057.92	17.07%
Wells Fargo Bank - Investments	498,123.28	504,547.73	-6,424.45	-1.27%
Wells Fargo Bank - Money Market	34,499.70	26,611.33	7,888.37	29.64%
Total Checking/Savings	<u>814,163.39</u>	<u>771,641.55</u>	<u>42,521.84</u>	<u>5.51%</u>
Other Current Assets				
Prepaid Expenses	6,866.51	1,678.98	5,187.53	308.97%
Total Other Current Assets	<u>6,866.51</u>	<u>1,678.98</u>	<u>5,187.53</u>	<u>308.97%</u>
Total Current Assets	<u>821,029.90</u>	<u>773,320.53</u>	<u>47,709.37</u>	<u>6.17%</u>
TOTAL ASSETS	<u>821,029.90</u>	<u>773,320.53</u>	<u>47,709.37</u>	<u>6.17%</u>
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Other Current Liabilities				
Deferred Revenue	118,297.34	113,172.30	5,125.04	4.53%
Direct Deposit Liabilities	0.00	-4,017.52	4,017.52	100.0%
Payroll Tax Liability	1,783.47	2,588.77	-805.30	-31.11%
Total Other Current Liabilities	<u>120,080.81</u>	<u>111,743.55</u>	<u>8,337.26</u>	<u>7.46%</u>
Total Current Liabilities	<u>120,080.81</u>	<u>111,743.55</u>	<u>8,337.26</u>	<u>7.46%</u>
Total Liabilities	<u>120,080.81</u>	<u>111,743.55</u>	<u>8,337.26</u>	<u>7.46%</u>
Equity				
Retained Earnings	668,906.72	657,801.28	11,105.44	1.69%
Net Income	32,042.37	3,775.70	28,266.67	748.65%
Total Equity	<u>700,949.09</u>	<u>661,576.98</u>	<u>39,372.11</u>	<u>5.95%</u>
TOTAL LIABILITIES & EQUITY	<u>821,029.90</u>	<u>773,320.53</u>	<u>47,709.37</u>	<u>6.17%</u>

State of Nevada Board of Occupational Therapy
Balance Sheet Prev Year Comparison
As of June 30, 2017

	<u>Jun 30, 17</u>	<u>Jun 30, 16</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Current Assets				
Checking/Savings				
Wells Fargo Bank - Checking	322,069.50	288,523.07	33,546.43	11.63%
Wells Fargo Bank - Investments	498,123.28	504,547.73	-6,424.45	-1.27%
Wells Fargo Bank - Money Market	30,521.84	23,064.44	7,457.40	32.33%
Total Checking/Savings	<u>850,714.62</u>	<u>816,135.24</u>	<u>34,579.38</u>	<u>4.24%</u>
Accounts Receivable				
Accounts Receivable	126.69	105.64	21.05	19.93%
Total Accounts Receivable	<u>126.69</u>	<u>105.64</u>	<u>21.05</u>	<u>19.93%</u>
Other Current Assets				
Prepaid Expenses	4,467.52	4,371.70	95.82	2.19%
Total Other Current Assets	<u>4,467.52</u>	<u>4,371.70</u>	<u>95.82</u>	<u>2.19%</u>
Total Current Assets	<u>855,308.83</u>	<u>820,612.58</u>	<u>34,696.25</u>	<u>4.23%</u>
TOTAL ASSETS	<u>855,308.83</u>	<u>820,612.58</u>	<u>34,696.25</u>	<u>4.23%</u>
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
Accounts Payable	521.28	1,680.55	-1,159.27	-68.98%
Total Accounts Payable	<u>521.28</u>	<u>1,680.55</u>	<u>-1,159.27</u>	<u>-68.98%</u>
Other Current Liabilities				
Deferred Revenue	183,347.04	159,074.91	24,272.13	15.26%
Payroll Liability	398.35	0.00	398.35	100.0%
Payroll Tax Liability	2,135.44	2,055.84	79.60	3.87%
Total Other Current Liabilities	<u>185,880.83</u>	<u>161,130.75</u>	<u>24,750.08</u>	<u>15.36%</u>
Total Current Liabilities	<u>186,402.11</u>	<u>162,811.30</u>	<u>23,590.81</u>	<u>14.49%</u>
Total Liabilities	<u>186,402.11</u>	<u>162,811.30</u>	<u>23,590.81</u>	<u>14.49%</u>
Equity				
Retained Earnings	657,801.28	609,948.44	47,852.84	7.85%
Net Income	11,105.44	47,852.84	-36,747.40	-76.79%
Total Equity	<u>668,906.72</u>	<u>657,801.28</u>	<u>11,105.44</u>	<u>1.69%</u>
TOTAL LIABILITIES & EQUITY	<u>855,308.83</u>	<u>820,612.58</u>	<u>34,696.25</u>	<u>4.23%</u>

State of Nevada
Board of Occupational Therapy
Profit & Loss Budget vs. Actual
July through December 2017

	Annual Budget	Actuals July - December 17	Remaining Balance	% of Budget Spent
Ordinary Income/Expense				
Income				
Processing Fees	37,250.00	22,325.00	14,925.00	59.93%
License Fees	198,350.00	120,325.71	78,024.29	60.66%
List Fee	5,925.00	3,725.00	2,200.00	62.87%
Total Income	241,525.00	146,375.71	95,149.29	60.61%
Expense				
Attorney General/legal fees	10,000.00	2,438.84	7,561.16	24.39%
Audit Fees	0.00	0.00	0.00	0.0%
Bank service charges	4,500.00	2,489.27	2,010.73	55.32%
Equipment Purchase	0.00	0.00	0.00	0.0%
Equipment Rental	2,200.00	782.52	1,417.48	35.57%
Insurance	2,000.00	789.99	1,210.01	39.5%
Licensing - Data System	32,500.00	25,579.30	6,920.70	78.71%
Maintenance and Repairs	350.00	121.53	228.47	34.72%
Meeting Expense	3,000.00	1,724.00	1,276.00	57.47%
Office Lease	25,200.00	12,250.00	12,950.00	48.61%
Office Supplies	3,600.00	1,233.12	2,366.88	34.25%
Personnel Cost	123,887.06	61,111.35	62,775.71	49.33%
Postage and Delivery	1,000.00	1,145.37	-145.37	114.54%
Printing and Reproduction	500.00	64.12	435.88	12.82%
Professional Fees	9,950.00	1,861.00	8,089.00	18.7%
Seminars / Continuing Ed	9,500.00	6,537.63	2,962.37	68.82%
Technical Support / Web Site	3,500.00	2,543.07	956.93	72.66%
Telephone	3,200.00	602.31	2,597.69	18.82%
Travel & Ent				
Out of State Travel	5,000.00	0.00	5,000.00	0.0%
Travel - in state	4,500.00	794.80	3,705.20	17.66%
Total Travel & Ent	9,500.00	794.80	8,705.20	8.37%
Total Expense	244,387.06	122,068.22	122,318.84	49.95%
Net Ordinary Income	-2,862.06	24,307.49	27,169.55	-849.3%
Other Income/Expense				
Other Income				
Interest Income	6,200.00	3,977.86	2,222.14	64.16%
Sublease Income	6,873.39	3,757.02	3,116.37	54.66%
Total Other Income	13,073.39	7,734.88	5,338.51	59.17%
Other Expense				
Unrealized Investment Loss	0.00	0.00	0.00	0.0%
Total Other Expense	0.00	0.00	0.00	0.0%
Net Other Income	13,073.39	7,734.88	5,338.51	59.17%
Net Income	10,211.33	32,042.37	21,831.04	313.79%

State of Nevada
Board of Occupational Therapy
Profit & Loss Budget vs. Actual
July 2016 through June 2017

	Annual Budget	Actuals July 16 - June 17	Remaining Balance	% of Budget Spent
Ordinary Income/Expense				
Income				
Processing Fees	24,000.00	36,288.00	-12,288.00	151.2%
License Fees	190,200.00	178,277.87	11,922.13	93.73%
List Fee	5,875.00	6,200.00	-325.00	105.53%
Total Income	220,075.00	220,765.87	-690.87	100.31%
Expense				
Attorney General/legal fees	5,500.00	8,134.74	-2,634.74	147.9%
Audit Fees	8,400.00	8,000.00	400.00	95.24%
Bank service charges	3,500.00	3,954.32	-454.32	112.98%
Equipment Purchase	0.00	0.00	0.00	0.0%
Equipment Rental	2,000.00	1,912.08	87.92	95.6%
Insurance	2,000.00	1,409.69	590.31	70.49%
Licensing - Data System	21,125.00	12,155.09	8,969.91	57.54%
Maintenance and Repairs	350.00	232.29	117.71	66.37%
Meeting Expense	1,200.00	1,130.55	69.45	94.21%
Office Lease	24,200.00	24,705.46	-505.46	102.09%
Office Supplies	2,000.00	1,894.19	105.81	94.71%
Personnel Cost	116,400.00	114,767.92	1,632.08	98.6%
Postage and Delivery	1,200.00	459.64	740.36	38.3%
Printing and Reproduction	500.00	0.00	500.00	0.0%
Professional Fees	18,750.00	18,912.00	-162.00	100.86%
Seminars / Continuing Ed	9,500.00	7,893.86	1,606.14	83.09%
Technical Support / Web Site	3,850.00	5,547.25	-1,697.25	144.08%
Telephone	1,200.00	1,093.86	106.14	91.16%
Travel & Ent				
Out of State Travel	5,000.00	0.00	5,000.00	0.0%
Travel - in state	3,600.00	4,527.10	-927.10	125.75%
Total Travel & Ent	8,600.00	4,527.10	4,072.90	52.64%
Total Expense	230,275.00	216,730.04	13,544.96	94.12%
Net Ordinary Income	-10,200.00	4,035.83	14,235.83	-39.57%
Other Income/Expense				
Other Income				
Interest Income	3,600.00	7,348.89	-3,748.89	204.14%
Sublease Income	6,600.00	6,036.66	563.34	91.47%
Total Other Income	10,200.00	13,385.55	-3,185.55	131.23%
Other Expense				
Unrealized Investment Loss	0.00	6,315.94	-6,315.94	100.0%
Total Other Expense	0.00	6,315.94	-6,315.94	100.0%
Net Other Income	10,200.00	7,069.61	3,130.39	69.31%
Net Income	0.00	11,105.44	11,105.44	100.0%

State of Nevada Board of Occupational Therapy
Balance Sheet
As of June 30, 2017

Jun 30, 2017

ASSETS

Current Assets

Checking/Savings

Wells Fargo Bank - Checking	322,069.50
Wells Fargo Bank - Investments	498,123.28
Wells Fargo Bank - Money Market	30,521.84
Total Checking/Savings	<u>850,714.62</u>

Other Current Assets

Accounts Receivable	126.69
Prepaid Expenses	4,467.52
Undeposited Funds	0.00

Total Other Current Assets 4,594.21

Total Current Assets 855,308.83

TOTAL ASSETS 855,308.83

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

Accounts Payable 521.28

Total Accounts Payable 521.28

Other Current Liabilities

Deferred Revenue 183,347.04

Payroll Liability 398.35

Payroll Tax Liability 2,135.44

Other Current Liabilities 0.00

Total Other Current Liabilities 185,880.83

Total Current Liabilities 186,402.11

Total Liabilities 186,402.11

Equity

Retained Earnings 657,801.28

Net Income 11,105.44

Total Equity 668,906.72

TOTAL LIABILITIES & EQUITY 855,308.83

State of Nevada Board of Occupational Therapy Profit & Loss

July 2014 through June 2017

	Jul '14 - Jun 15	Jul '15 - Jun 16	Jul '16 - Jun 17	TOTAL
Ordinary Income/Expense				
Income				
Fees	21,450.00	33,075.00	36,288.00	90,813.00
License Fees				
COTA	27,811.16	29,783.33	0.00	57,594.49
OTR	136,741.66	143,904.17	0.00	280,645.83
License Fees - Other	0.00	0.00	178,277.87	178,277.87
Total License Fees	164,552.82	173,687.50	178,277.87	516,518.19
List Fee	4,882.00	5,250.00	6,200.00	16,332.00
Total Income	190,884.82	212,012.50	220,765.87	623,663.19
Expense				
Attorney General / Legal Fees	6,484.48	6,823.41	8,134.74	21,442.63
Audit fees	8,000.00	0.00	8,000.00	16,000.00
Bank Service/Merchant Charges	3,978.65	3,375.69	3,954.32	11,308.66
Continuing education	0.00	6,792.48	0.00	6,792.48
Dues	0.00	225.00	225.00	450.00
Equipment Purchase	4,957.06	0.00	0.00	4,957.06
Equipment Rental	1,749.09	1,762.24	1,912.08	5,423.41
Insurance	1,614.66	1,559.69	1,409.69	4,584.04
Licensing - Data System	7,569.03	6,454.80	12,155.09	26,178.92
Maintenance and Repairs	212.82	307.81	232.29	752.92
Meeting Expenses	619.44	2,470.99	1,130.55	4,220.98
Moving Expense	2,635.56	0.00	0.00	2,635.56
Office Lease	22,410.56	23,350.00	24,705.46	70,466.02
Office Supplies	1,458.98	1,916.66	1,894.19	5,269.83
Payroll Expenses	106,022.22	108,296.96	114,727.92	329,047.10
Personnel Services - Temporary	0.00	0.00	40.00	40.00
Postage and Delivery	619.67	321.70	459.64	1,401.01
Printing and Reproduction	0.00	200.91	0.00	200.91
Professional Fees				
Accounting	1,800.00	1,800.00	1,800.00	5,400.00
IT / Technical Support	9,776.92	2,778.07	5,547.25	18,102.24
Professional Fees - Other	22,177.50	4,712.00	17,112.00	44,001.50
Total Professional Fees	33,754.42	9,290.07	24,459.25	67,503.74
Seminars	0.00	0.00	7,668.86	7,668.86
Telephone	1,893.80	1,156.97	1,093.86	4,144.63
Travel				
Out of State Travel	7,369.69	1,299.35	0.00	8,669.04
Travel - in state	2,203.26	3,648.48	4,527.10	10,378.84
Total Travel	9,572.95	4,947.83	4,527.10	19,047.88
Total Expense	213,553.39	179,253.21	216,730.04	609,536.64
Net Ordinary Income	-22,668.57	32,759.29	4,035.83	14,126.55
Other Income/Expense				
Other Income				
Interest Income	6,593.83	6,148.37	7,348.89	20,091.09

State of Nevada Board of Occupational Therapy Profit & Loss

July 2014 through June 2017

	Jul '14 - Jun 15	Jul '15 - Jun 16	Jul '16 - Jun 17	TOTAL
Sublease Income	5,783.61	6,082.43	6,036.66	17,902.70
Total Other Income	12,377.44	12,230.80	13,385.55	37,993.79
Other Expense				
Unrealized Investment Loss	-1,234.75	-2,862.75	6,315.94	2,218.44
Total Other Expense	-1,234.75	-2,862.75	6,315.94	2,218.44
Net Other Income	13,612.19	15,093.55	7,069.61	35,775.35
Net Income	-9,056.38	47,852.84	11,105.44	49,901.90



STATE OF NEVADA
BOARD OF OCCUPATIONAL THERAPY
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Email: board@nvot.org / Website: www.nvot.org

SUNSET SUBCOMMITTEE OF THE LEGISLATIVE COMMISSION

ATTACHMENT 3

BIENNIAL AUDIT FY 2015 / FY 2016

September 21, 2016

To the Board Members and Management of the
Nevada State Board of Occupational Therapy
P.O. Box 34779
Reno, Nevada 89533

We have audited the financial statements of the governmental activities and the fund information of Nevada State Board of Occupational Therapy (Board) for the years ended June 30, 2016 and 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 30, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Board are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2016. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Board's financial statements include:

- The portion of license and renewal fees deferred which pertain to future periods.
- The useful lives of capital assets and the depreciation over such periods which pertain to current and future periods.

We evaluated the key factors and assumptions used to develop the above estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 21, 2016.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

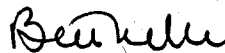
Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board members and management of Nevada State Board of Occupational Therapy and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

KOHN & COMPANY LLP



Beth Kohn-Cole, CPA, CGMA



**NEVADA STATE BOARD OF
OCCUPATIONAL THERAPY**

FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

NEVADA STATE BOARD OF OCCUPATIONAL THERAPY
TABLE OF CONTENTS
JUNE 30, 2016 AND 2015

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-7
BASIC FINANCIAL STATEMENTS	8
Statements of Net Position and Governmental Fund Balance Sheets	9
Statements of Activities and Governmental Fund Revenue, Expenditures, and Changes in Fund Balance	10
Notes to Financial Statements	11-15
REQUIRED SUPPLEMENTARY INFORMATION	16
Statement of Revenue and Expenditures - Budget and Actual - June 30, 2016	17
Statement of Revenue and Expenditures - Budget and Actual - June 30, 2015	18
REPORT ON INTERNAL CONTROL AND COMPLIANCE	19
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	20

INDEPENDENT AUDITORS' REPORT

To the Members of the Board of the
Nevada State Board of Occupational Therapy

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the fund information of the Nevada State Board of Occupational Therapy (the "Board") as of and for the years ended June 30, 2016 and 2015, and the related notes to the financial statements, which comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the fund information of the Nevada State Board of Occupational Therapy as of June 30, 2016 and 2015, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-7 and 17-18, 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.

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

The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2016, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Board's internal control over financial reporting and compliance.

Khour & Company

Reno, Nevada
September 21, 2016



MANAGEMENT'S DISCUSSION AND ANALYSIS

NEVADA STATE BOARD OF OCCUPATIONAL THERAPY

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Board members' and management's discussion and analysis of the Nevada State Board of Occupational Therapy's (the "Board") financial condition and activities for the fiscal years ended June 30, 2016 and 2015 is presented in conjunction with the audited financial statements.

Financial Highlights

- Program revenue for the fiscal years ended June 30, 2016 and 2015 was approximately \$212,000 and \$191,000, respectively, which represents continued increases in licensees each year.
- Investment income increased with improvements in interest rates earned.

Overview of Annual Financial Report

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 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 strategic plan, 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 balance sheet, a statement of revenues, expenditures budget and actual, and changes in fund balance, and notes to the financial statements.

The Statement of Net Position and Governmental Fund Balance Sheet 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 assets are one indicator of whether the financial position of the Board is improving or deteriorating.

The Statement of Net Position and Governmental Fund Balance Sheet provide information about the nature and amount of resources and obligations at year-end. The Statement of Activities and Governmental Fund Revenue, Expenditures and Changes in Fund Balance presents the results of the activities over the course of the fiscal year and information as to how the fund balance and net assets 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, serve as the key financial data for the Board members' and management's monitoring and planning. Comments regarding budget-to-actual variances and year-to-year variances are included in the following Results of Operations by the name of the statement or account.

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.

NEVADA STATE BOARD OF OCCUPATIONAL THERAPY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Statement of Activities

Revenue: The program revenue received by the Board is generated through the application, renewal and licensure fees of occupational therapists and occupational therapy assistants. Total revenue received by the Board for the fiscal year ended June 30, 2016 was \$229,193 representing an increase of \$26,482 over the fiscal year ended June 30, 2015.

Expenses: Operating expenses for the fiscal year ended June 30, 2016 were \$179,218 representing a decrease from the fiscal year ended June 30, 2015 of \$30,381. Primary changes in expenses are from a decrease of professional fees relating to legislative services and audit services that occur every other year.

General Fund Budgetary Highlights

Total revenue was higher than the amount budgeted amount by \$21,810 for the year ended June 30, 2016.

Total expenses were lower than the budgeted amounts by \$28,165. The area in which the expenses were lower than budgeted was primarily continuing education, legal fees and out of state travel.

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 occupational therapists and occupational therapy assistants. The Board provides direction of staff actions toward its mission of public protection through licensure and disciplinary measures.

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

NEVADA STATE BOARD OF OCCUPATIONAL THERAPY
MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)
CONDENSED STATEMENTS OF NET POSITION
JUNE 30, 2016 AND 2015

	2016 Actual Government- Wide	2015 Actual Government- Wide
ASSETS		
Cash and cash equivalents	\$ 816,135	\$ 756,292
Accounts receivable and prepaid expenses	4,478	5,529
Capital assets, net of accumulated depreciation	3,399	5,596
Total assets	<u>824,012</u>	<u>767,417</u>
LIABILITIES		
Accounts payable and other accrued liabilities	7,068	11,408
License fees received in advance	159,075	146,250
Total liabilities	<u>166,143</u>	<u>157,658</u>
NET POSITION		
Invested in capital assets, net of related debt	3,399	5,596
Unrestricted	654,470	604,163
Total net position	<u>\$ 657,869</u>	<u>\$ 609,759</u>

NEVADA STATE BOARD OF OCCUPATIONAL THERAPY
MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)
CONDENSED STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	2016 Actual Government- Wide	2015 Actual Government- Wide
EXPENSES		
Operations	\$ 68,172	\$ 97,891
Personnel	107,964	107,022
Travel	4,947	9,573
Total expenses	<u>181,083</u>	<u>214,486</u>
PROGRAM REVENUE		
Licensing fees (charges for services)	173,688	164,553
Other fees	38,325	26,332
Total program revenue	<u>212,013</u>	<u>190,885</u>
GENERAL REVENUE		
Investment income	10,798	6,042
Sub-lease income	6,382	5,784
	<u>17,180</u>	<u>11,826</u>
Total revenue	<u>229,193</u>	<u>202,711</u>
Change in net position	48,110	(11,775)
NET POSITION		
Beginning of year	<u>609,759</u>	<u>621,534</u>
End of year	\$ <u><u>657,869</u></u>	\$ <u><u>609,759</u></u>

BASIC FINANCIAL STATEMENTS

NEVADA STATE BOARD OF OCCUPATIONAL THERAPY
STATEMENTS OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEETS
JUNE 30, 2016 AND 2015

	2016			2015		
	General Fund	Adjustments (Note 4)	Statement of Net Position	General Fund	Adjustments (Note 4)	Statement of Net Position
ASSETS						
Cash and cash equivalents	\$ 816,135	\$ -	\$ 816,135	\$ 756,292	\$ -	\$ 756,292
Accounts receivable	106	-	106	136	-	136
Prepaid expenses	4,372	-	4,372	5,393	-	5,393
Capital assets, net of accumulated depreciation	-	3,399	3,399	-	5,596	5,596
Total assets	<u>\$ 820,613</u>	<u>3,399</u>	<u>824,012</u>	<u>\$ 761,821</u>	<u>5,596</u>	<u>767,417</u>
LIABILITIES						
Accounts payable and payroll liabilities	\$ 3,736	-	3,736	\$ 7,410	-	7,410
Accrued leave	666	2,666	3,332	1,000	2,998	3,998
License fees received in advance	159,075	-	159,075	146,250	-	146,250
Total liabilities	<u>163,477</u>	<u>2,666</u>	<u>166,143</u>	<u>154,660</u>	<u>2,998</u>	<u>157,658</u>
FUND BALANCE / NET POSITION						
Fund balance						
Nonspendable	4,372	(4,372)	-	5,393	(5,393)	-
Unassigned	652,764	(652,764)	-	601,768	(601,768)	-
	<u>657,136</u>	<u>(657,136)</u>	<u>-</u>	<u>607,161</u>	<u>(607,161)</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 820,613</u>			<u>\$ 761,821</u>		
Net position						
Invested in capital assets		3,399	3,399		5,596	5,596
Unrestricted		654,470	654,470		604,163	604,163
Total net position		<u>\$ 657,869</u>	<u>\$ 657,869</u>		<u>\$ 609,759</u>	<u>\$ 609,759</u>

See accompanying notes

NEVADA STATE BOARD OF OCCUPATIONAL THERAPY
STATEMENTS OF ACTIVITIES AND GOVERNMENTAL FUND REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	2016			2015		
	General Fund	Adjustments (Note 4)	Statement of Activities	General Fund	Adjustments (Note 4)	Statement of Activities
EXPENDITURES/EXPENSES						
Board operations	\$ 179,218	\$ 1,865	\$ 181,083	\$ 209,599	\$ 4,887	\$ 214,486
Capital outlay	-	-	-	4,957	(4,957)	-
Total expenditures/ expenses	179,218	1,865	181,083	214,556	(70)	214,486
PROGRAM REVENUE						
Charges for services	212,013	-	212,013	190,885	-	190,885
Net program revenue	32,795	(1,865)	30,930	(23,671)	70	(23,601)
GENERAL REVENUE						
Sub-lease income	6,382	-	6,382	5,784	-	5,784
Investment income	10,798	-	10,798	6,042	-	6,042
	17,180	-	17,180	11,826	-	11,826
Excess of revenue over expenditures	49,975	(49,975)	-	(11,845)	11,845	-
Change in net position	-	48,110	48,110	-	(11,775)	(11,775)
FUND BALANCE / NET POSITION						
Beginning of year	607,161	2,598	609,759	619,006	2,528	621,534
End of year	\$ 657,136	\$ 733	\$ 657,869	\$ 607,161	\$ 2,598	\$ 609,759

See accompanying notes

NOTES TO FINANCIAL STATEMENTS

NEVADA STATE BOARD OF OCCUPATIONAL THERAPY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Nevada State Board of Occupational Therapy (the Board) is regulated by the Nevada Revised Statutes Chapter 640A, which also specifies the authorized activities of the Board. It is the licensing and regulatory agency for the practice of occupational therapy in the state of Nevada. The Board was created to examine and pass upon the qualifications of the applicants for licensure, to license qualified applicants, to revoke or suspend certificates and to collect all fees and make disbursements.

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 accounting 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 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 Government 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 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 assets 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.

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, requires the Board to apply all applicable GASB pronouncements and, unless they conflict with or contradict GASB pronouncements all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989. Accordingly, the Board has not applied FASB pronouncements issued after that date.

Fund Accounting

The general fund of the Board is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures to be used solely for the Board's benefit. The net position of the general fund are restricted solely to be used by the Board to meet its obligation of licensing and regulating occupational therapists and occupational therapy assistants 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. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

NEVADA STATE BOARD OF OCCUPATIONAL THERAPY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016 AND 2015

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

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 soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

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 is maintained in one commercial bank in Reno, Nevada with certificates of deposits being invested by the bank in different entities to ensure FDIC insurance requirements are met. The Board is also covered by the collateral pool for the state of Nevada.

Time certificates of deposit are stated at fair value. The net increase (decrease) in the fair value of the investments is the difference between the cost (if purchased during the fiscal year) or the fair value of the investments at the beginning of the year, and the fair value of the investments at the end of the year. Changes in fair value of the certificates are reflected, together with interest income, as investment income in the accompanying financial statements. By statutes, all cash must be deposited in entities that are located in the state of Nevada.

Capital Assets

Capital assets, which include furniture, fixtures, and equipment, are reported in the net position 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 estimated fair market 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 three to seven years.

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

Licensing and Deferred Revenue

Licensing revenue includes fees for applications, renewal, and licensure.

The Board administers its licensure on an annual basis from July to June. Deferred revenue represents revenue for the next annual renewal period that was collected during the renewal period of April to June.

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 and deposits on hand in this category.

NEVADA STATE BOARD OF OCCUPATIONAL THERAPY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016 AND 2015

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity and Net Position (Continued)

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 spendable classifications.

The Board's policy is to first apply expenditures against non-spendable fund balances and then unassigned balances. On an annual basis, assigned fund balances are determined based upon available resources.

Equity is classified as net position and displayed in the three following components, as applicable:

- Net invested 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."

Subsequent Events

Subsequent events have been evaluated through September 21, 2016, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

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.

NOTE 2 - CAPITAL ASSETS

The Board's capital assets activity during the year is as follows:

	2015	Increases	Decreases	2016
<u>Capital assets being depreciated</u>				
Office furniture and equipment	\$ 12,121	\$ -	\$ -	\$ 12,121
<u>Less accumulated depreciation</u>				
Office furniture and equipment	\$ 6,525	2,197	-	8,722
Total capital assets, being depreciated, net	\$ 5,596	\$ (2,197)	\$ -	\$ 3,399

NEVADA STATE BOARD OF OCCUPATIONAL THERAPY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016 AND 2015

NOTE 2 - CAPITAL ASSETS (Continued)

	2014	Increases	Decreases	2015
<u>Capital assets being depreciated</u>				
Office furniture and equipment	\$ 7,164	\$ 4,957	-	\$ 12,121
<u>Less accumulated depreciation</u>				
Office furniture and equipment	\$ 4,636	1,889	-	6,525
Total capital assets, being depreciated, net	\$ 2,528	\$ 3,068	-	\$ 5,596

NOTE 3 - COMPLIANCE WITH NEVADA REVISED STATUTES AND NEVADA ADMINISTRATIVE CODE

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

NOTE 4 - 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 balance in order to reconcile the fund financial statements to the government-wide statements of net assets and activities. For the year ended June 30, 2016, these adjustments detail the effect of the capitalization of fixed assets of \$12,121, accumulated depreciation of \$8,722, accrued leave of \$2,666, and depreciation expense of \$2,197. For the year ended June 30, 2015, these adjustments detail the effect of the capitalization of fixed assets of \$12,121, accumulated depreciation of \$6,525, accrued leave of \$2,998 and depreciation expense of \$1,889.

NOTE 5 - OPERATING LEASE OBLIGATIONS

The Board currently leases office space in Reno under an agreement commencing August 1, 2014 and expiring July 31, 2019. The lease initially required monthly payments of \$1,900 with annual monthly increases of \$50 per year.

The Board subleases to the Board of Examiners for Audiology and Speech Pathology a portion of the office space based upon the square footage used by the other entity and a cost allocation method. The Board also leases space to the Board of Registered Environmental Health at a nominal cost.

The Board also leases a copier at a monthly rate of \$114 for 60 months that expires July 2019.

The following is a schedule of future minimum rental payments, net of the estimated sublease income:

Year Ending June 30	
2017	\$ 19,281
2018	19,881
2019	20,481

REQUIRED SUPPLEMENTARY INFORMATION

NEVADA STATE BOARD OF OCCUPATIONAL THERAPY
STATEMENT OF REVENUE AND EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2015)

	2016			2015
	Original and Final Budget	Actual Amounts Budgetary Basis	Variance to Final Budget Favorable (Unfavorable)	Actual (Memorandum Only)
REVENUE				
Fees				
License fees	\$ 173,425	\$ 173,688	\$ 263	\$ 164,553
Other fees	23,875	38,325	14,450	26,332
Sub-lease income	5,883	6,382	499	5,784
Investment income	4,200	10,798	6,598	6,042
Total revenue	207,383	229,193	21,810	202,711
EXPENDITURES				
Current				
Licensing software system	7,500	6,455	1,045	7,569
Legal fees	12,206	6,823	5,383	6,484
Continuing education	15,000	6,792	8,208	-
Credit card and bank fees	5,000	3,376	1,624	3,979
Dues	-	225	(225)	-
Equipment rental	1,250	1,762	(512)	1,749
Maintenance and repairs	350	308	42	213
Meeting expenses	1,000	2,471	(1,471)	619
Moving expenses	-	-	-	2,636
Office supplies	2,000	1,915	85	1,460
Postage and delivery	1,200	622	578	620
Printing and reproduction	1,500	201	1,299	-
Professional fees	5,000	4,712	288	22,178
Accounting and audit fees	1,800	1,800	-	9,800
Insurance	2,000	1,560	440	1,615
IT technical support	4,050	2,778	1,272	9,777
Telephone	1,200	1,157	43	1,894
Travel				
Out of state	8,000	1,299	6,701	7,370
In state	3,600	3,648	(48)	2,203
Office lease	23,600	23,350	250	22,411
Salaries and related benefits	111,127	107,964	3,163	107,022
Total current expenditures	207,383	179,218	28,165	209,599
Capital outlay				
Equipment and furniture	-	-	-	4,957
Total expenditures	207,383	179,218	28,165	214,556
Excess (deficiency) of revenue over (under) expenditures	\$ -	\$ 49,975	\$ 49,975	\$ (11,845)

See accompanying notes

NEVADA STATE BOARD OF OCCUPATIONAL THERAPY
STATEMENT OF REVENUE AND EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Original and Final Budget	Actual Amounts Budgetary Basis	Variance to Final Budget Favorable (Unfavorable)	Actual (Memorandum Only)
REVENUE				
Fines and fees				
License fees	\$ 170,425	\$ 164,553	\$ (5,872)	\$ 152,227
Other fees	26,875	26,332	(543)	27,494
Sub-lease income	5,600	5,784	184	5,586
Investment income	6,600	6,042	(558)	4,887
Total revenue	209,500	202,711	(6,789)	190,194
EXPENDITURES				
Current				
Contract executive director	-	-	-	88,750
Licensing software system	12,000	7,569	4,431	11,598
Legal fees	10,000	6,484	3,516	7,447
Credit card and bank fees	5,000	3,979	1,021	4,562
Equipment rental	1,225	1,749	(524)	1,146
Maintenance and repairs	200	213	(13)	116
Meeting expenses	1,000	619	381	449
Moving expenses	2,780	2,636	144	-
Office supplies	1,500	1,460	40	1,522
Postage and delivery	1,200	620	580	649
Printing and reproduction	500	-	500	372
Professional fees	25,000	22,178	2,822	2,700
Accounting and audit fees	9,800	9,800	-	1,500
Insurance	2,000	1,615	385	1,650
IT technical support	4,500	9,777	(5,277)	1,456
Telephone	3,600	1,894	1,706	2,649
Travel				
Out of state	5,000	7,370	(2,370)	2,845
In state	3,600	2,203	1,397	2,010
Office lease	22,800	22,411	389	15,155
Salaries and related benefits	109,795	107,022	2,773	17,608
Total current expenditures	221,500	209,599	11,901	164,184
Capital outlay				
Equipment and furniture	5,000	4,957	43	719
Total expenditures	226,500	214,556	11,944	164,903
Excess (deficiency) of revenue over (under) expenditures	\$ (17,000)	\$ (11,845)	\$ 5,155	\$ 25,291

See accompanying notes

REPORT ON INTERNAL CONTROL AND COMPLIANCE

**INDEPENDENT AUDITORS' 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 of the Board
Nevada State Board of Occupational Therapy

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the fund information of the Nevada State Board of Occupational Therapy (Board), as of and for the year ended June 30, 2016, and the related notes to the financial statements which collectively comprise the Nevada State Board of Occupational Therapy's basic financial statements, and have issued our report thereon dated September 21, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Nevada State Board of Occupational Therapy's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Nevada State Board of Occupational Therapy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Nevada State Board of Occupational Therapy's internal control.

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

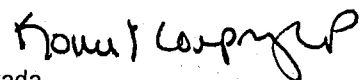
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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


Reno, Nevada
September 21, 2016



STATE OF NEVADA
BOARD OF OCCUPATIONAL THERAPY
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Reno, Nevada 89533-4779
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SUNSET SUBCOMMITTEE OF THE LEGISLATIVE COMMISSION

ATTACHMENT 5

ORGANIZATIONAL CHART

BOARD OF OCCUPATIONAL THERAPY

DEPUTY ATTORNEY GENERAL - LEGAL SUPPORT

EXECUTIVE DIRECTOR - ADMINISTRATIVE/OPERATIONAL SUPPORT

Executive Assistant / Licensing Specialist - Part Time

Licensing Assistant - Part Time



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ATTACHMENT 7

NRS 640A.160 FEES

COMPARATIVE FEE ANALYSIS

NAC 640A.160 Fees. (NRS 640A.110, 640A.190) The Board will charge and collect the following fees:

1. For an occupational therapist:
 - (a) Initial active license..... \$250
 - (b) Renewal of an active license..... 175
 - (c) A temporary or provisional license..... 150
 - (d) Renewal of a temporary or provisional license..... 100
 - (e) Convert a temporary or provisional license to an active license..... 100
 - (f) Reinstatement of an expired license..... 200
 - (g) Renewal of an inactive license..... 100
 - (h) Convert an inactive license to an active license..... 75
2. For an occupational therapy assistant:
 - (a) Initial active license..... \$175
 - (b) Renewal of an active license..... 125
 - (c) A temporary or provisional license..... 100
 - (d) Renewal of a temporary or provisional license..... 75
 - (e) Convert a temporary or provisional license to an active license..... 75
 - (f) Reinstatement of an expired license..... 125
 - (g) Renewal of an inactive license..... 75
 - (h) Convert an inactive license to an active license..... 50
3. General:
 - (a) Processing of an initial license application..... \$150
 - (b) Late fee for renewal of a license..... 125
 - (c) Verification of a license..... 25
 - (d) Returned check processing..... 25

(Added to NAC by Bd. of Occupational Therapy, eff. 12-23-92; A 5-23-95; R083-99, 9-27-99; R179-01, 9-20-2002; R210-07, 9-18-2008; R017-14, 10-24-2014)

NAC 640A.170 Administrative fine for practicing with expired license; Board may waive fine under certain circumstances. (NRS 640A.110, 640A.230)

1. Except as otherwise provided by subsection 2, the Board will assess against a person practicing occupational therapy whose license has expired an administrative fine of:

- (a) Not less than \$50 if the period of expiration of the license is 30 days or less.
- (b) Not less than \$200 and not more than \$5,000 if the period of expiration of the license is more than 30 days.

2. The Board may waive an administrative fine assessed pursuant to subsection 1:

- (a) For the first offense.
- (b) If the period of expiration of the license is 30 days or less.
- (c) Upon a finding of good cause by the Board. A person seeking waiver of an administrative fine on the grounds prescribed by this paragraph shall submit a written request to the Board which must include proof satisfactory to the Board that good cause exists for the Board to waive the administrative fine. As used in this paragraph, "good cause" includes, without limitation, circumstances under which a person suffers from an illness or disability, suffers an injury or experiences a family hardship.

(Added to NAC by Bd. of Occupational Therapy by R017-14, eff. 10-24-2014)

STANDARDS OF PRACTICE

NAC 640A.195 Practice under name on license. (NRS 640A.110) A person may only practice occupational therapy under the name under which he or she is licensed by the Board.

(Added to NAC by Bd. of Occupational Therapy by R210-07, eff. 9-18-2008)

NAC 640A.200 Use of professional title or initials. (NRS 640A.110)

Sunset Review Committee Fee Analysis
Board of Occupational Therapy

Occupation	License Type	State	Application	License Fee	Total	Active Status Renewal Fee	Inactive Status Renewal Fee	Term of License
Occupational Therapist	Standard	Nevada	\$ 150.00	\$ 250.00	\$ 400.00	\$ 175.00	\$ 125.00	2 years
Occupational Therapy Assistant	Standard		\$ 150.00	\$ 175.00	\$ 325.00	\$ 125.00	\$ 75.00	2 years
Occupational Therapist	Provisional		\$ 150.00	\$ 150.00	\$ 300.00	\$ 100.00		6 months / renewable 1 time
Occupational Therapy Assistant	Provisional		\$ 150.00	\$ 100.00	\$ 250.00	\$ 75.00		6 months / renewable 1 time
Occupational Therapist	Temporary		\$ 150.00	\$ 150.00	\$ 300.00	\$ 100.00		6 months / renewable 1 time
Occupational Therapy Assistant	Temporary		\$ 150.00	\$ 100.00	\$ 250.00	\$ 75.00		6 months / renewable 1 time
Occupational Therapist		Arizona	\$ 100.00	\$ 135.00	\$ 235.00	\$ 135.00	\$ 25.00	2 years
Occupational Therapy Assistant			\$ 100.00	\$ 70.00	\$ 170.00	\$ 70.00	\$ 15.00	2 years
Both Occupations	Limited		\$ 100.00	\$ 35.00	\$ 135.00			4 months
Occupational Therapist	Standard	California **	\$ 50.00	\$ 220.00	\$ 270.00	\$ 220.00	\$ 220.00	2 Years
Occupational Therapy Assistant	Standard		\$ 50.00	\$ 180.00	\$ 230.00	\$ 180.00	\$ 180.00	2 Years
Both Occupations	Limited		\$ 50.00	\$ 100.00	\$ 150.00			3 months
Occupational Therapist	Standard	Idaho	\$ 100.00	\$ 100.00	\$ 200.00	\$ 55.00	\$ 25.00	1 year
Occupational Therapy Assistant	Standard		\$ 75.00	\$ 75.00	\$ 150.00	\$ 35.00	\$ 25.00	1 year
Occupational Therapist	Temporary		\$ 100.00	\$ 25.00	\$ 125.00			6 months
Occupational Therapy Assistant	Temporary		\$ 75.00	\$ 25.00	\$ 100.00			6 months
Occupational Therapist	Standard	Oregon	\$ 75.00	\$ 100.00	\$ 175.00	\$ 150.00		2 year
Occupational Therapy Assistant	Standard		\$ 50.00	\$ 70.00	\$ 120.00	\$ 100.00		2 year
Both Occupations	Limited Permit			\$ 25.00	\$ 25.00			90 days
Occupational Therapist	Standard	Utah		\$ 70.00	\$ 70.00	\$ 47.00		2 year
Occupational Therapy Assistant	Standard			\$ 70.00	\$ 70.00	\$ 47.00		2 year

** California fees were increased 7/1/17 and will increase in 2021 by \$50.00 for each license type