PUBLIC DOCUMENTS

BOARD MEETING

10/04/2013

NEVADA STATE BOARD
OF DENTAL EXAMINERS

ANNUAL REPORT

JUNE 30, 2013

NEVADA STATE BOARD
OF DENTAL EXAMINERS

Table of Contents

	Page
Management's discussion and analysis	1 - 3
Independent Auditor's Report	4 - 5
Financial Statements:	
Balance Sheet	6
Statement of Revenues, Expenses and Fund Balance	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 10

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Nevada State Board of Dental Examiners' (Board) annual financial report presents our discussion and analysis of the Board's financial activities during the fiscal year then ended June 30, 2013. Please read it in conjunction with the Board's financial statements which begin immediately following management's discussion and analysis.

FINANCIAL HIGHLIGHTS

- The Board's assets exceeded its liabilities by $660,580 (net assets) for the fiscal year reported. The comparison with last year shows a decrease of 10% when assets exceeded liabilities by $731,824.

- Total assets include cash, accounts receivable, certificates of deposit, deposits, and prepaid expenses which represents an increase of 17%.

- Total liabilities, which include deferred revenue of the Board, increased by 39% from $885,634 to $1,231,045

- Total net assets are comprised of the following:

    1. Unrestricted net assets of $660,580 represent the portion available to maintain the Board's continuing obligations and operations.

- Operating expenses were $1,024,945 during the current year.

Overview of the Financial Statements

The annual report consists of three parts - *management's discussion and analysis* (this section), the *basic financial statements* and *notes to the financial statements* which explain some of the information in the financial statements and provide more detailed data.

Board's Financial Statements

The financial report of the general fund uses a reporting method similar to those used by private-sector companies' accrual basis accounting.

The first statement of the basic financial statement is the Balance Sheet. This statement includes all of the Board's assets and liabilities with the difference reported as Fund Balance. Over time, increases or decreases in the Board's Fund Balance are an indicator of whether its financial health is improving or deteriorating, respectively.

The second statement is the Statement of Revenues, Expenses and Fund Balance which reports how the Board's Fund Balance changed during the current fiscal year. Current year revenues are the result of the recognition of previously received cash from licensing activities as well as exam fees, user fees and charges, and interest income. Expenses are included regardless of when they are paid for in cash. The design of the statement of revenues, expenses and fund balance is intended to show the financial reliance of the Board's activities on revenues generated by the licensing process.

The third statement, Statement of Cash Flows, summarizes the changes in cash balances by category. These changes are derived from the collection of cash receipts and disbursement of cash payments.

The Board's financial statements reflect operations that are primarily supported by business-type activities intended to recover all or a significant portion of their costs through licensing fees and charges. Board activities include the regulation and licensing of dentists and dental hygienists.

Financial Analysis of the Board as a Whole

By accumulating year-to-year financial information, changes in fund balances may be observed and used to discuss the changing financial position of the Board as a whole.

Net assets at fiscal year-end are $660,580 which is a decrease of $71,244 from last year's net assets of $731,824. The following table provides a summary of the Board's net assets:

Summary of Net Assets

	2013	2012	Amount Change	% Change
Current and other assets	$ 1,891,625	$ 1,617,458	$ 274,167	17%
Total assets	1,891,625	1,617,458	274,167	17%
Current liabilities	1,231,045	885,634	345,411	39%
Total liabilities	1,231,045	885,634	345,411	39%
Net assets unrestricted	660,580	731,824	(71,244)	(10%)
Total net assets	$ 660,580	$ 731,824	$ (71,244)	(10%)

For the fiscal year ending June 30, 2013, the Board experienced a decrease in total revenue from $972,427 in the prior year to $953,701. This decrease was due in part to discounts for early renewal of licenses, a decrease in licensees and decrease in interest income.

Comparative data is presented below to assist in the analysis of the Board's change in net assets:

Summary of Changes in Net Assets

	2013	2012	Amount Change	% Change
Revenues	$ 952,391	$ 968,389	$ (15,998)	(2%)
Expenses-personnel	340,078	406,113	(66,035)	(16%)
Operations	684,867	756,284	(71,417)	(10%)
Total expenses	1,024,945	1,162,397	(137,452)	(12%)
Interest income	1,310	4,038	(2,728)	(68%)
Change in net assets	(71,244)	(189,970)	(118,726)	(63%)
Beginning net assets	731,824	921,794	(189,970)	(21%)
Ending net assets	$ 660,580	$ 731,824	$ (71,244)	(10%)

Financial Analysis of the Board's Funds

As the Board completed the year, its general funds (as presented in the balance sheet on page 5) reported a fund balance of $660,580 which includes applications for licensing of dentists and dental hygienists and receipt of other required fees.

Capital Assets

The Board's purchases of capital assets include computer hardware, communication equipment, and office equipment. In accordance with its charter, the Board does not maintain ownership of the assets but they immediately become the property of the State of Nevada. As such, purchases of capital assets are accounted for in the statement of revenues, expenses and fund balance under the account "Equipment". Purchases for the fiscal year ended June 30, 2013 were $18,707.

Economic Factors and Next Year's Budgets and Rates

The Board decreased its revenue budget for FY2014 over the FY2013 budget to better align with actual income plus 11%. The Board increased wage/benefit and professional fee expenses for FY2014 anticipating an increase in personnel and legal services to manage increased investigations, legal costs, and general costs of doing business. The Board has not increased licensing fees at this time but has maintained cost allocation and recovery for regulatory enforcement. The Board has continued to manage negotiated leases, travel expenses, collaboration with other boards for expense savings, and other cost saving measures.

The Board has maintained a modest reserve account for legal and disciplinary processing and prosecution as well as unanticipated legal contingencies; however there was an increase in hearings and inability of disciplined licensees to pay ordered costs. The number of investigations, hearings, and prosecutions has once again increased in addition to more involved litigious issues associated with the investigations and hearings and the ongoing monitoring associated with compliance in stipulation orders.

Biennial renewal for all unrestricted licensees of dentistry and dental hygiene continues. Biennial renewal requires close budgetary monitoring and accumulated funds management. Ongoing efforts to modernize and improve technical communications continues in FY2014 with website re-development, ongoing identity verification, archival of existing file data, online renewal along with a disciplinary tracking system for monitoring all investigations and stipulation agreements, on-line jurisprudence examination for all applicants/licensees and continued development of the licensing system. Online address change capabilities are available to all licensees. Online disciplinary actions associated with licensees is also available with a link to the actual order of the Board describing circumstances resulting in a stipulation agreement through the licensee search and verification on Board's website.

Contacting the Board's Financial Management

This financial report is designed to provide a general overview of the Board's finances and to show the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Debra Shaffer, Executive Director, Nevada State Board of Dental Examiners, office at 6010 South Rainbow Boulevard, Suite A-1, Las Vegas, Nevada 89118.

NEVADA STATE BOARD OF DENTAL EXAMINERS

FINANCIAL STATEMENTS

JUNE 30, 2013

Campbell Jones
Cohen CPAs

P 702-255-2330
F 702-255-2203
7848 W. Sahara Ave.
Las Vegas, NV 89117
www.yournevadacpa.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Nevada State Board of Dental Examiners

We have audited the accompanying financial statements of Nevada State Board of Dental Examiners (a Nevada State Agency) which comprise the balance sheet as of June 30, 2013, and the related statements of revenues, expenses, fund balances, and cash flows for the year then ended and the related notes to the financial statements.

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 an opinion 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditor's 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nevada State Board of Dental Examiners as of June 30, 2013, and the changes in its cash flows for the year then ended in accordance with conformity with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The management's discussion and analysis information on pages 1 through 3 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Campbell Jones Cohen CPAs

Campbell Jones Cohen CPAs

Las Vegas, Nevada
September 30, 2013

NEVADA STATE BOARD OF DENTAL EXAMINERS

BALANCE SHEET
JUNE 30, 2013

ASSETS

Current Assets:				
Cash	$	1,776,656		
Accounts receivable		87,207		
Prepaid expense		27,762		
Total current assets			$	1,891,625
Total Assets			$	1,891,625

LIABILITIES AND FUND BALANCE

Current Liabilities:				
Accounts payable	$	53,305		
Accrued compensation		13,410		
Other accrued expenses		1,200		
Deferred revenue		1,163,130		
Total current liabilities			$	1,231,045
Fund Balance				660,580
Total Liabilities and Fund Balance			$	1,891,625

The accompanying notes to financial statements are an integral part of these financial statements.

NEVADA STATE BOARD OF DENTAL EXAMINERS

STATEMENT OF REVENUES, EXPENSES AND FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2013

Revenues:		
Licensing and permit fees	$ 886,689	
Exam fees	48,041	
Interest income	1,310	
Other	17,662	
Total revenues		$ 953,701
Expenses:		
Accounting	26,110	
Legal	160,816	
Exam expense	22,937	
Rent	76,909	
Payroll	278,834	
Equipment	18,707	
Professional fees	19,278	
Travel	52,455	
Other	368,899	
Total expenses		1,024,945
Net Excess Expenses Over Revenues		(71,244)
Fund Balance, Beginning		731,824
Fund Balance, Ending		$ 660,580

The accompanying notes to financial statements are an integral part of these financial statements.

NEVADA STATE BOARD OF DENTAL EXAMINERS

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013

Net Excess Expenses Over Revenues		$ (71,244)
Reconciliation of Net Excess Expenses Over Revenues to Net Cash Used by Operating Activities:		
Changes in Operating Assets and Liabilities:		
Increase in accounts receivable	$ (81,857)	
Decrease in prepaid expense	24,056	
Increase in accounts payable	4,942	
Decrease in accrued compensation	(372)	
Decrease in other accrued expenses	(6,800)	
Increase in deferred revenue	347,641	
Net cash provided by operating activities		287,610
Net Change in Cash		216,366
Cash, Beginning		1,560,090
Cash, Ending		$ 1,776,456

The accompanying notes to financial statements are an integral part of these financial statements.

NEVADA STATE BOARD OF DENTAL EXAMINERS

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES

Nevada State Board of Dental Examiners (the Board) is the licensing and regulatory agency for dentists and dental hygienists in the State of Nevada. The Board was created and is regulated by the Nevada Revised Statues. The Board is a special revenue fund of the State of Nevada that is used to account for the proceeds of licensing and examination fees that are legally restricted to expenditures for specified purposes. The Board is required to comply with budgeting and reporting requirements in the same manner as other state agencies.

BASIS OF ACCOUNTING

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. This method provides for recognizing expenditures at the time the related liabilities are incurred, while revenues are recorded when earned, measurable and available to finance expenditures of the fiscal period.

PROPERTY AND EQUIPMENT

The property and equipment of the Board is considered to be general property and equipment of the State of Nevada and, therefore, is not reflected in this balance sheet. Equipment purchases of the Board are charged to expenditures at the time of acquisition.

STATEMENT OF CASH FLOWS

For purposes of the statement of cash flows, the Board considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

INCOME TAXES

The Board is a public agency and is not subject to Federal Income taxes under Code Section 115(7), 1454.R.C.

DEFERRED REVENUE

By provision of statute, the Board administers its licensing registration on a biennial basis with offsetting years between the dentists and hygienists. Deferred revenue consists of license fees that are collected prior to July 1 for the ensuing year. At June 30, 2013, deferred revenue consists of two years collected fees for the dentists and one year for the hygienists. License fees are the Board's primary source of revenue.

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 - CASH DEPOSITS IN EXCESS OF INSURED LIMITS

The Board maintains cash balances in several financial institutions. Balances are insured by the Federal Deposit Insurance Corporation up to $250,000. The Board also maintains cash reserves in government securities, which are backed by the full faith and credit of the United States Government.. At June 30, 2013, $670,942 was uninsured, which includes $399,977 invested in government securities.

NOTE 3 - CONTRACTS

The Board has an agreement with Kaempfer Crowell to provide lobbying services during legislative sessions. The agreement is renewed annually and provides for a monthly fee of $1,500 for services.

NOTE 4 - LEASE AGREEMENTS

The Nevada State Board of Dental Examiners leases office space and certain equipment under operating lease agreements with various expirations. Aggregate future minimum lease payments required on all operating leases as of June 30, 2013, are as follows:

2013	$ 96,265
2014	99,758
2015	83,590
2016	2,752

Rent expense for the year ended June 30, 2013 for these leases was $76,909

NOTE 5 - DEFINED BENEFIT PENSION PLAN

Plan Description. The Nevada State Board of Dental Examiners contributes to the Public Employee's Retirement System (PERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the State of Nevada. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The State of Nevada issues a publicly available financial report that includes financial statements and required supplementary information of PERS. That report may be obtained by writing to Public Employee's Retirement System of Nevada, 693 West Nye Lane, Carson City, Nevada 89703 or by calling (775) 687-4200.

Funding Policy. The Board is enrolled in the employer-pay contribution plan. In this plan, the Board is required to contribute all amounts due. The contribution requirements of plan members and the Board are established under Chapter 286 of the Nevada Revised Statutes. The Board's contribution rate for the year ended June 30, 2013 was 23.75%. The Board's contribution to PERS for the year ended June 30, 2013 was $61,244.

NOTE 6 - 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 7 - REVIEW OF SUBSEQUENT EVENTS

The Board has evaluated subsequent events through September 30, 2013 which is the date the financial statements were available to be issued.