

NEVADA STATE BOARD
of
DENTAL EXAMINERS

PUBLIC BOARD MEETING

NOVEMBER 20, 2015

9:00 A.M.

ADDITIONAL ITEMS

PUBLIC BOOK

REVISED

Nevada State Board of Dental Examiners

Balance Sheet

As of September 30, 2015

	Sep 30, 15
ASSETS	
Current Assets	
Checking/Savings	
10000 · Wells Fargo-Operating	626,351.85
10015 · Wells Fargo - Saving	530,019.02
10010 · Wells Fargo-Reserves	1,053,128.93
Total Checking/Savings	<u>2,209,499.80</u>
Accounts Receivable	
11000 · Accounts Receivable	114,212.82
Total Accounts Receivable	<u>114,212.82</u>
Other Current Assets	
11050 · Reimbursements Receivable	11.20
11200 · Prepaid Expenses	26,626.08
11210 · Prepaid Insurance	7,944.16
18000 · Deferred Outflows-Pension	66,562.00
Total Other Current Assets	<u>101,143.44</u>
Total Current Assets	<u>2,424,856.06</u>
TOTAL ASSETS	<u><u>2,424,856.06</u></u>
LIABILITIES & FUND BALANCE	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	47,986.34
Total Accounts Payable	<u>47,986.34</u>
Other Current Liabilities	
22125 · DDS Deferred Revenue	
22126-7 · 2017 DDS Retired/Disabled	3,766.30
22126-6 · 2017 DDS Inactive	52,855.19
22126-5 · 2017 DDS Active Licenses	893,132.56
22900 · DDS-Permits	59,476.14
22901 · DDS-Limited License	8,588.19
22902 · DDS-Ltd Lic-Supervisor	724.99
Total 22125 · DDS Deferred Revenue	<u>1,018,543.37</u>
22136 · RDH Deferred Revenue	
22138-1 · 2016 RDH Active	156,806.39
22138-2 · 2016 RDH Inactive/Retired	5,328.62
Total 22136 · RDH Deferred Revenue	<u>162,135.01</u>
20500 · Fines Payable-State of Nevada	2,800.00
23750 · Accrued Vacation/Sick Leave	31,674.71
Total Other Current Liabilities	<u>1,215,153.09</u>
Total Current Liabilities	<u>1,263,139.43</u>
Long Term Liabilities	
20601 · Pension Liability	429,013.00
21001 · Deferred Inflows-Pension	110,641.00
Total Long Term Liabilities	<u>539,654.00</u>
Total Liabilities	<u>1,802,793.43</u>
Fund Balance	<u>622,062.63</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>2,424,856.06</u></u>

Nevada State Board of Dental Examiners
Statement of Revenues, Expenses and Fund Balance
 July through September 2015

REVISED

	Jul - Sep 15	Budget	\$ Over Budget
· Ordinary Income/Expense			
Income			
40000 · Dentist Licenses & Fees			
40100 · DDS Active License Fee	126,567.44	138,862.00	(12,294.56)
40102 · DDS Inactive License Fee	8,178.51	7,938.00	240.51
40135 · DDS Activate/Inactive/Suspend	12,325.00	2,614.50	9,710.50
40136 · DDS Activate Revoked License	0.00	500.00	(500.00)
40140 · Specialty License App	875.00	875.00	0.00
40145 · Limited License App	375.00	250.00	125.00
40115 · Limited License Renewal Fee	2,711.81	2,791.00	(79.19)
40116 · LL-S Renewal Fee	725.01	725.01	0.00
40150 · Restricted License App	0.00	625.03	(625.03)
40180 · Anesthesia Site Permit App	4,500.00	4,000.00	500.00
40182 · CS/GA/Site Permit Renewals	8,423.86	8,386.00	37.86
40183 · CS/GA Site Permit Relnp	850.00	0.00	850.00
40175 · Conscious Sedation Permit Appl	5,250.00	3,210.00	2,040.00
40160 · Conscious Sedation Permit Relnp	850.00	2,946.00	(2,096.00)
40170 · General Anesthesia Permit Appl	3,000.00	1,500.00	1,500.00
40155 · General Anesthesia Permit Relnp	350.00	2,489.00	(2,139.00)
40184 · Infection Control Inspection	2,500.00	2,500.00	0.00
40212 · DDS ADEX License Application	3,725.00	7,200.00	(3,475.00)
40205 · DDS Credential Appl Fee-Spclty	6,000.00	8,400.00	(2,400.00)
40211 · DDS WREB License Application	26,400.00	21,600.00	4,800.00
Total 40000 · Dentist Licenses & Fees	213,606.63	217,411.54	(3,804.91)
50000 · Dental Hygiene Licenses & Fees			
40105 · RDH Active License Fee	51,816.06	51,670.00	146.06
40106 · RDH Inactive License Fee	1,776.21	1,810.00	(33.79)
40130 · RDH Activate/Inactive/Suspend	875.00	1,225.00	(350.00)
40126 · RDH Reinstate Revoked License	0.00	200.00	(200.00)
40110 · RDH LA/N2O Permit Fee	2,050.00	1,800.00	250.00
40222 · RDH WREB License Application	13,200.00	10,200.00	3,000.00
Total 50000 · Dental Hygiene Licenses & Fees	69,717.27	66,905.00	2,812.27
50750 · Other Licenses & Fees			
40220 · License Verification Fee	1,575.00	1,350.00	225.00
40227 · CEU Provider Fee	1,100.00	2,372.00	(1,272.00)
40225 · Duplicate License Fee	250.00	300.00	(50.00)
40185 · Lists/Labels Printed	2,711.00	2,550.00	161.00
40600 · Miscellaneous Income	169.00	100.00	69.00
Total 50750 · Other Licenses & Fees	5,805.00	6,672.00	(867.00)
Total Income	289,128.90	290,988.54	(1,859.64)

Nevada State Board of Dental Examiners
Statement of Revenues, Expenses and Fund Balance

July through September 2015

REVISED

	<u>Jul - Sep 15</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Expense			
60500 · Bank Charges			
60500-1 · Bank Service Fees	44.86	40.00	4.86
60500-2 · Merchant Fees	3,554.91	2,700.00	854.91
Total 60500 · Bank Charges	3,599.77	2,740.00	859.77
63000 · Dues & Subscriptions	1,342.47	1,228.00	114.47
65100 · Furniture & Equipment	14,169.44	15,600.00	(1,430.56)
65500 · Finance Charges	60.57	59.00	1.57
66500 · Insurance			
66500-1 · Liability	1,640.19	1,640.19	0.00
66500-2 · Workers Compensation	436.63	262.50	174.13
Total 66500 · Insurance	2,076.82	1,902.69	174.13
66520 · Internet/Web/Domain			
66520-1 · GL Suites	9,797.76	9,876.00	(78.24)
66520-2 · E-mail, Website Services	708.54	522.00	186.54
66520-3 · Internet Services	384.33	397.00	(12.67)
66520-4 · Jurisprudence Exam Website	198.00	198.00	0.00
Total 66520 · Internet/Web/Domain	11,088.63	10,993.00	95.63
73500 · Information Technology			
73500-1 · Computer Repair/Upgrade	110.00	178.00	(68.00)
Total 73500 · Information Technology	110.00	178.00	(68.00)
66600 · Office Supplies	1,683.40	1,903.00	(219.60)
66650 · Office Expense			
68710 · Miscellaneous Expenses	0.00	628.00	(628.00)
68700 · Repairs & Maintenance			
68700-1 · Janitorial	1,500.00	1,500.00	0.00
68700-2 · Copier Maintenance (7545P)	1,020.71	936.00	84.71
68700-3 · Copier Maintenance (7435P)	355.15	581.25	(226.10)
Total 68700 · Repairs & Maintenance	2,875.86	3,017.25	(141.39)
68725 · Security	240.00	210.00	30.00
68715 · Shredding Services	104.70	225.00	(120.30)
68720 · Utilities	1,396.03	1,193.00	203.03
Total 66650 · Office Expense	4,616.59	5,273.25	(656.66)
67000 · Printing	3,411.98	3,356.70	55.28
67500 · Postage & Delivery	5,207.15	3,628.00	1,579.15
68500 · Rent/Lease Expense			
68500-1 · Equipment Lease	378.73	378.75	(0.02)
68500-2 · Office	16,668.96	16,668.75	0.21
68500-4 · Storage Warehouse	366.06	764.00	(397.94)
Total 68500 · Rent/Lease Expense	17,413.75	17,811.50	(397.75)

Nevada State Board of Dental Examiners
Statement of Revenues, Expenses and Fund Balance
July through September 2015

REVISED

	<u>Jul - Sep 15</u>	<u>Budget</u>	<u>\$ Over Budget</u>
75000 · Telephone			
75000-1 · Telephone-Office	541.63	637.50	(95.87)
75000-2 · Board Teleconference	0.00	120.00	(120.00)
Total 75000 · Telephone	<u>541.63</u>	<u>757.50</u>	<u>(215.87)</u>
75100 · Travel (Staff)	281.00	0.00	281.00
73600 · Professional Fee			
73600-1 · Accounting	7,692.50	8,500.00	(807.50)
73600-4 · Legislative Services	4,500.00	4,500.00	0.00
73600-2 · Legal-General	8,191.86	7,690.00	501.86
Total 73600 · Professional Fee	<u>20,384.36</u>	<u>20,690.00</u>	<u>(305.64)</u>
73700 · Verification Services	4,585.27	3,200.00	1,385.27
72000 · Employee Wages & Benefits			
72100 · Executive Director	33,114.47	31,355.06	1,759.41
72300 · Credentialing & Licensing Coord	13,905.43	13,434.28	471.15
72132 · Site Inspection Coordinator	9,938.41	9,688.03	250.38
72200 · Technology/Finance Liaison	12,879.24	12,507.75	371.49
72130 · Public Info & CE Coordinator	8,435.87	7,730.06	705.81
72140 · Administrative Assistant (P/T)	4,050.26	3,823.50	226.76
72010 · Payroll Service Fees	406.50	406.50	0.00
72005 · Payroll Tax Expense	1,382.78	1,468.78	(86.00)
72600 · Retirement Fund Expense (PERS)	20,393.52	19,025.06	1,368.46
65525 · Health Insurance	12,391.35	12,081.28	310.07
Total 72000 · Employee Wages & Benefits	<u>116,897.83</u>	<u>111,520.30</u>	<u>5,377.53</u>
72400 · Board of Directors Expense			
72400-1 · Director Stipends	2,580.00	1,980.00	600.00
72400-2 · Committee Mtgs-Stipends	0.00	350.00	(350.00)
72400-3 · Director Travel Expenses	784.01	1,636.00	(851.99)
72400-9 · Refreshments - Board Meetings	479.27	600.00	(120.73)
Total 72400 · Board of Directors Expense	<u>3,843.28</u>	<u>4,566.00</u>	<u>(722.72)</u>
60001 · Anesthesia Eval Committee			
60001-1 · Evaluator's Fee	3,281.67	3,253.00	28.67
60001-4 · Travel Expense	1,325.76	1,462.50	(136.74)
Total 60001 · Anesthesia Eval Committee	<u>4,607.43</u>	<u>4,715.50</u>	<u>(108.07)</u>
73650 · Investigations/Complaints			
72550 · DSO Coordinator	1,000.00	1,050.00	(50.00)
73650-1 · DSO Consulting Fee	9,587.50	10,403.81	(816.31)
73650-2 · DSO Travel Expense	1,264.98	1,593.75	(328.77)
73650-3 · Legal Fees-Investigations	59,735.66	73,750.03	(14,014.37)
73650-4 · Staff Travel & Per Diem	101.92	750.00	(648.08)
73650-7 · Miscellaneous Investigation Exp	2,408.90	500.06	1,908.84
73650-6 · Reimb Investigation Expenses	(62,582.05)	(56,250.00)	(6,332.05)
Total 73650 · Investigations/Complaints	<u>11,516.91</u>	<u>31,797.65</u>	<u>(20,280.74)</u>

Nevada State Board of Dental Examiners
Statement of Revenues, Expenses and Fund Balance
 July through September 2015

REVISED

	<u>Jul - Sep 15</u>	<u>Budget</u>	<u>\$ Over Budget</u>
60002 · Infection Control Inspection			
60002-1 · Initial Inspection Expense	1,779.17	2,087.53	(308.36)
60002-2 · Reinspection Expense	95.84	206.25	(110.41)
60002-3 · Random Inspection Expense	0.00	206.25	(206.25)
60002-4 · Travel Expense	519.17	787.50	(268.33)
Total 60002 · Infection Control Inspection	<u>2,394.18</u>	<u>3,287.53</u>	<u>(893.35)</u>
 Total Expense	<u>229,832.46</u>	<u>245,207.62</u>	<u>(15,375.16)</u>
 Net Ordinary Income	59,296.44	45,780.92	13,515.52
 Other Income/Expense			
Other Income			
40800 · Interest Income	95.18	137.53	(42.35)
Total Other Income	<u>95.18</u>	<u>137.53</u>	<u>(42.35)</u>
 Net Other Income	<u>95.18</u>	<u>137.53</u>	<u>(42.35)</u>
 Net Income Over Expenses	<u>59,391.62</u>	<u>45,918.45</u>	<u>13,473.17</u>

**NEVADA STATE BOARD
OF DENTAL EXAMINERS**

ANNUAL REPORT

JUNE 30, 2015

**NEVADA STATE BOARD
OF DENTAL EXAMINERS**

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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, 2015. 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 \$562,672 (net assets) for the fiscal year reported. The comparison with last year shows an increase of 55% when assets exceeded liabilities by \$363,699.
- Total assets include cash, accounts receivable, and prepaid expenses which represent an increase of 32%.
- Total liabilities, which include deferred revenue of the Board, increased by 19% from \$1,547,319 to \$1,836,632.
- Total net assets are comprised of the following:
 1. Unrestricted net assets of \$562,672 represent the portion available to maintain the Board's continuing obligations and operations.
- Operating expenses were \$917,315 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 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.

The Board has implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

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 \$561,973 which is an increase of \$198,274 from last year's net assets of \$363,699. The following table provides a summary of the Board's net assets:

<u>Summary of Net Assets</u>				
	<u>2015</u>	<u>2014</u>	<u>Amount Change</u>	<u>% Change</u>
Current and other assets	\$ 2,443,383	\$ 1,848,668	\$ 594,715	32%
Deferred outflows	<u>66,562</u>	<u>62,350</u>	<u>4,212</u>	<u>7%</u>
Total assets and deferred outflows	2,509,945	1,911,018	598,927	33%
Current liabilities	1,407,619	1,006,016	401,603	40%
Long-term liabilities	429,013	541,303	(112,290)	(21%)
Deferred inflows	<u>110,641</u>	<u>-</u>	<u>110,641</u>	<u>0%</u>
Total liabilities and deferred inflows	1,947,273	1,547,319	399,954	26%
Net assets unrestricted	<u>562,672</u>	<u>363,699</u>	<u>198,973</u>	<u>55%</u>
Total net assets	<u>\$ 562,672</u>	<u>\$ 363,699</u>	<u>\$ 198,973</u>	<u>55%</u>

For the fiscal year ending June 30, 2015, the Board experienced an increase in total revenue from \$1,011,097 in the prior year to \$1,116,288. This increase was due in part to an increase in license applications and licensees fee.

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

<u>Summary of Changes in Net Assets</u>				
	<u>2015</u>	<u>2014</u>	<u>Amount Change</u>	<u>% Change</u>
Revenues	\$ 1,115,740	\$ 1,009,336	\$ 106,404	11%
Expenses-personnel	355,367	324,743	30,624	9%
Operations	<u>561,948</u>	<u>504,282</u>	<u>57,666</u>	<u>12%</u>
Total expenses	917,315	829,025	88,290	11%
Interest income	548	1,761	(1,213)	(69%)
Change in net assets	198,973	182,072	16,901	10%
Beginning net assets	<u>363,699</u>	<u>181,627</u>	<u>182,072</u>	<u>101%</u>
Ending net assets	<u>\$ 562,672</u>	<u>\$ 363,699</u>	<u>\$ 198,973</u>	<u>55%</u>

Financial Analysis of the Board's Funds

As the Board completed the year, its general funds (as presented in the balance sheet on page 6) reported a fund balance of \$562,672 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, 2015 were \$1,021.

Economic Factors and Next Year's Budgets and Rates

The Board increased its revenue budget for FY2016 over the FY2015 budget by 5% to better align with expected income. The Board increased wage/benefit and professional fee expenses for FY2016 to better align with fixed costs and increases in managing investigations, legal costs, and general costs of doing business. The Board increased licensing fees for limited licenses and anesthesia site permits. A new fee was added for infection control inspections to align with anticipated expenses for the inspections. It continues to maintain 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. The number of investigations, informal hearings, formal hearings and prosecutions has 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 FY2016 with website improvements, ongoing identity verification, in-house background checks for applicants, 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 and malpractice claim information 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. Technical Bulletins noting action taken by the Board regarding unlicensed persons practicing dentistry and/or dental hygiene in the State of Nevada is available on the Board's website. Biennial newsletters are now being produced and mailed to all licensees. Lastly, the Board's website now contains the Board's Agendas, Minutes, and Public Materials dating back to January 1, 2012 for immediate review/download by the public or licensees and advisory opinions issued by the Board can be reviewed and/or obtained on the Board's website as well.

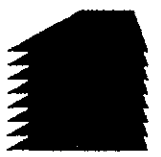
Contacting the Board's Financial Management

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-Kugel, Executive Director, Nevada State Board of Dental Examiners, at 6010 South Rainbow Boulevard, Suite A-1, Las Vegas, Nevada 89118.

**NEVADA STATE BOARD
OF DENTAL EXAMINERS**

FINANCIAL STATEMENTS

JUNE 30, 2015



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, 2015, 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.

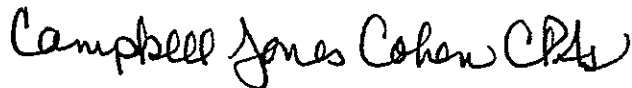
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2015, 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 and the schedule of the Board's proportionate share of the net pension liability, and the schedule of Board contributions on page 14 are presented to supplement the basic financial statements. Such information although not part of the basic financial statement 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 required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to 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 is with sufficient evidence to express an opinion or provide any assurance.



Campbell Jones Cohen CPAs

Las Vegas, Nevada
November 18, 2015

NEVADA STATE BOARD OF DENTAL EXAMINERS

BALANCE SHEET

JUNE 30, 2015

ASSETS

Current Assets:

Cash	\$	2,308,182	
Accounts receivable, net		110,048	
Prepaid expense		25,153	
Total current assets			\$ 2,443,383

Deferred Outflow of Resources:

Pensions (Note 5)		66,562
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Total Assets and Deferred Outflow of Resources	\$	2,509,945
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LIABILITIES AND FUND BALANCE

Current Liabilities:

Accounts payable	\$	55,671	
Accrued compensation		25,921	
Other accrued expenses		2,300	
Deferred revenue		1,323,727	
Total current liabilities			\$ 1,407,619

Long-Term Liabilities:

Net pension liability - proportionate share (Note 5)		429,013
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Deferred Inflow of Resources:

Pensions (Note 5)		110,641
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Fund Balance		562,672
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Total Liabilities, Deferred Inflow and Fund Balance	\$	2,509,945
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NEVADA STATE BOARD OF DENTAL EXAMINERS

STATEMENT OF REVENUES, EXPENSES AND FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2015

Revenues:

Licensing and permit fees	\$	1,097,013	
Interest income		548	
Other		<u>18,727</u>	
Total revenues	\$		1,116,288

Expenses:

Accounting	19,042	
Legal	103,315	
Rent	66,768	
Payroll	292,664	
Pension	56,842	
Equipment	1,021	
Professional fees	11,893	
Travel	19,580	
Other	<u>346,190</u>	
Total expenses		<u>917,315</u>

Net Excess Revenues Over Expenses 198,973

Fund Balance, Beginning 842,652

Prior Period Adjustment (Note 7) (478,953)

Fund Balance, Ending \$ 562,672

NEVADA STATE BOARD OF DENTAL EXAMINERS

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015

Net Excess Revenues Over Expenses		\$	198,973
Reconciliation of Net Excess Revenues Over Expenses to Net Cash Used by Operating Activities:			
Changes in Operating Assets and Liabilities:			
Decrease in accounts receivable	\$	7,854	
Decrease in prepaid expense		1,717	
Decrease in accounts payable		(2,364)	
Increase in accrued compensation		6,527	
Increase in other accrued expenses		300	
Increase in deferred revenue		397,140	
Decrease in net pension liability		(112,290)	
Increase in deferred outflow - pensions		(4,212)	
Increase in deferred inflow - pensions		110,641	
			<u>405,313</u>
Net Change in Cash			604,286
Cash, Beginning			<u>1,703,896</u>
Cash, Ending		\$	<u><u>2,308,182</u></u>

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 Statutes. The Board is a special revenue fund of the State of Nevada that is used to account for the proceeds of licensing 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, 2015, deferred revenue consists of one year collected fees for the hygienists and two years for the dentists. 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.

ACCOUNTS RECEIVABLE

The Board carries its accounts receivable at cost less an allowance for doubtful accounts. On a periodic basis, the Board evaluates accounts receivable balances and establishes an allowance for doubtful accounts, based on history of past write-offs and collections. The Board considers all accounts receivable at June 30, 2015 to be fully collectible and, therefore, did not provide for an allowance for doubtful accounts. For the year ended June 30, 2015, the Board wrote off \$3,500 as uncollectible bad debt.

NEVADA STATE BOARD OF DENTAL EXAMINERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PENSION EXPENSE

Financial reporting information pertaining to the Board's participation in the Public Employees' Retirement System (PERS) is prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

The fiduciary net position, as well as additions to and deductions from the fiduciary net position, of PERS have been determined on the same basis as they are reported by PERS. The financial statements were prepared using the accrual basis of accounting. Employer contributions are recognized when due, pursuant to formal commitments and statutory requirements. Benefits and refunds of employee contributions are recognized when due and payable in accordance with the statutes governing PERS. Expenses are recognized when the liability is incurred, regardless of when payment is made. Investments are reported at fair value on a trade date basis. The fiduciary net position is reflected in the measurement of the Board's net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense.

NOTE 2 - CASH DEPOSITS IN EXCESS OF INSURED LIMITS

The Board maintains cash balances with Wells Fargo Bank. Balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. Wells Fargo Bank, NA is collateralizing the balances in excess of \$250,000 as the Board is a participant in the Nevada State Treasurer's Pool Collateral Program in accordance with applicable Nevada Law.

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, 2015, are as follows:

2016	\$ 69,744
2017	71,638
2018	71,239
2019	72,672
2020	61,877

Rent expense for the year ended June 30, 2015 for these leases was \$66,768.

NEVADA STATE BOARD OF DENTAL EXAMINERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 is available at www.nvpers.org.

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, 2015 was 25.75%. The Board's contribution to PERS for the year ended June 30, 2015 was \$62,703.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2015 the Board recorded a liability of \$429,013 for their proportionate share of the net pension liability. The net pension liability for the plan in total was measured as June 30, 2014 and determined by an actuarial valuation as of that date. The Board's proportionate share of the total net pension liability was based on the ratio of our actual contributions of \$62,350 paid to PERS for the year ended June 30, 2014 relative to the actual contributions of \$1,514,633,045 from all participating employers. At June 30, 2014, the Board's proportionate share was .00412%.

For the year ended June 30, 2015, the Board recognized a pension expense of \$56,842, their proportionate share of the total pension expense.

At June 30, 2015, the Board reported deferred outflows of the resources and deferred inflows of resources from the following sources related to PERS pension benefits:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance of Deferred Outflows and Inflows Due to:		
Differences between expected and actual experience	\$ -	\$ 20,531
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	90,110
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,859	-
Employer contributions subsequent to the measurement date	62,703	-
Total	<u>\$ 66,562</u>	<u>\$ 110,641</u>

\$62,703 reported as deferred outflows of resources to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended June 30, 2016. Other amounts reported as collective deferred (inflows)/outflows of resources to be recognized in pension expense:

NEVADA STATE BOARD OF DENTAL EXAMINERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 5 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Year ending June 30:

2016	\$ (26,129)
2017	(26,129)
2018	(26,129)
2019	(26,129)
2020	(3,602)
2021	(2,523)
Thereafter	<u>\$ (110,641)</u>

Actuarial Assumptions

Actuarial valuations of PERS involves estimates of the reported amount and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The last experience study was conducted in 2013.

Significant actuarial assumptions and other inputs used to measure the total pension liability:

Measurement Date	June 30, 2014
Valuation Date	June 30, 2014
Expected Return on Investments	8.0%
Inflation	3.5%
Total Payroll Growth	5.0% including inflation
Future Salary increases	Regular: 4.6%-9.75%; Police/Fire 5.25%-14.5%, depending on service. Rates include 3.5% inflation and productivity increase.
Consumer Price Index	3.5%
Changes in Actuarial Assumptions and Methods	There were no changes in actuarial assumptions or methods for the June 30, 2014 valuation.
Fiduciary Net Position	PERS issues a publicly available financial report that can be obtained at www.nvpers.org .
Investment Policy	The System's policies which determine the investment portfolio target asset allocation are established by the Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System.

The following was the Board adopted policy target asset allocation as of June 30, 2014:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Geometric Expected Real Rate of Return*</u>
Domestic Equity	42%	5.50%
International Equity	18%	5.75%
Domestic Fixed Income	30%	0.25%
Private Markets	10%	6.80%

*As of June 30, 2014, PERS' long-term inflation assumption was 3.5%

NEVADA STATE BOARD OF DENTAL EXAMINERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 5 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 8.0% as of June 30, 2014. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2014, was projected to be available to make all projected future benefit payments current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2014.

Discount Rate Sensitivity

The following presents the net pension liability of the PERS as of June 30, 2014, calculated using the discount rate of 8.0%, as well as what PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.0%) or 1-percentage-point higher (9.0%) than the current discount rate:

Discount Rate	1% Decrease (7.0%)	Current Rate (8.0%)	1% Increase (9.0%)
Proportionate share of the Net Pension Liability / (Asset)	\$ 669,260	\$ 429,013	\$ 231,667

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 - CHANGE IN ACCOUNTING PRINCIPLE

Fund balance as of July 1, 2014, has been restated as follows for implementation of GASB No. 68, as amended by GASB Statement No. 71.

Fund Balance as previously reported at June 30, 2014:	\$ 842,652
Prior period adjustment:	
Net pension liability (measurement date as of June 30, 2013)	(541,303)
Deferred Outflows:	
Board contributions made during fiscal year 2014	62,350
Total prior period adjustment	-
Fund Balance as restated July 1, 2014	<u>\$ 363,699</u>

NOTE 8 - REVIEW OF SUBSEQUENT EVENTS

The Board has evaluated subsequent events through November 18, 2015 which is the date the financial statements were available to be issued.

NEVADA STATE BOARD OF DENTAL EXAMINERS

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Proportionate Share of the Net Pension Liability and Related Ratios

<u>Year Ended</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Actual Covered Member Payroll</u>	<u>Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Fund Balance as a Percentage of Total Pension Liability</u>
6/30/2015	0.0041%	\$ 429,013	\$ 292,664	146.59%	131.15%

The data provided in the schedule is based as of the measurement date of PERS net pension liability, which is as of the beginning of the Board's fiscal year.

Schedule of Board's Contributions

<u>Year Ended</u>	<u>Statutorily Required Contribution</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess/(Deficiency) (Deficiency)</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
6/30/2013	\$ 62,011	\$ 62,011	\$ -	262,732	-
6/30/2014	\$ 62,703	\$ 62,703	\$ -	292,664	-
6/30/2015	\$ 62,350	\$ 62,350	\$ -	-	-

Note: These schedules are intended to show information for ten years. Additional years will be displayed as they become available.

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STATE OF NEVADA
BEFORE THE BOARD OF DENTAL EXAMINERS

NEVADA STATE BOARD OF DENTAL
EXAMINERS,

Case No. 74127-02779

Complainant,

vs.

**DISCIPLINARY STIPULATION
AGREEMENT**

TRAVIS M. SORENSEN, DDS,

Respondent.

IT IS HEREBY STIPULATED AND AGREED by and between TRAVIS M. SORENSEN, DDS ("Respondent" or "Dr. Sorensen"), and the NEVADA STATE BOARD OF DENTAL EXAMINERS (the "Board"), by and through A. TED TWESME, DDS, Disciplinary Screening Officer ("DSO"), and the Board's legal counsel, JOHN A. HUNT, ESQ., of the law firm MORRIS, POLICH & PURDY, LLP as follows via this *Disciplinary Stipulation Agreement* ("Stipulation Agreement" or "Stipulation"):

1. Via a *Notice of Investigative Complaint & Request for Records* dated February 12, 2015 ("Investigative Complaint"), the Board notified Respondent that at a properly noticed meeting on January 30, 2015, pursuant to Agenda item 4(c)(2), an investigative complaint had been authorized regarding whether Respondent possibly violated NRS 631.3475(7).¹

¹ NRS 631.3475(7) provides:

NRS 631.3475 Malpractice; professional incompetence; disciplinary action in another state; substandard care; procurement or administration of controlled substance or dangerous drug; inebriety or addiction; gross immorality; conviction of certain crimes; certain operation of medical facility. The following acts, among others, constitute unprofessional conduct:

7. Chronic or persistent inebriety or addiction to a controlled substance, to such an extent as to render the person

1 The Investigative Complaint was preceded by the Board receiving information on or
2 about January 20, 2015, that Respondent had sought in-patient treatment for possible addiction
3 of controlled substances that are generally administered to patients needing either general
4 anesthesia and/or conscious sedation in Respondent's Nevada dental practice. This information
5 was subsequently confirmed and acknowledged by Respondent.

6 Accordingly, on January 23, 2015, Respondent provided written acknowledgment and
7 agreement to the following:

8
9 1. You [Respondent] voluntarily agreed to immediately surrender your
10 General Anesthesia Permit GA183 issued by the Board on April 25, 2014.

11 2. With regards to your specialty dentist license issued to you by the Board
12 (Oral and Maxillofacial Surgeon; specialty license number S2-130; specialty
13 license date: 06-27-2014) you voluntarily agreed that effective immediately you
14 would cease practicing dentistry and/or oral and maxillofacial surgery in the state
15 of Nevada.

16 3. You voluntarily agreed that you will provide in writing to the Board at
17 least five (5) days' notice of your intent to resume the practice of dentistry and/or
18 oral and maxillofacial surgery in the state of Nevada.

19 4. You advised that you are currently seeking in-patient treatment for
20 possible addiction of controlled substances that are generally administered to
21 patients needing either general anesthesia and/or conscious sedation in your
22 Nevada dental practice.

23 Id., pg. 1.

24 2. On February 25, 2015, the Board received Respondent's written response dated February
25 25, 2015, in regards to the Investigative Complaint.

26 3. On February 26, 2015, the Board received certain records regarding Respondent from
27

28 unsafe or unreliable as a practitioner, or such gross immorality as tends to bring reproach upon the dental profession;

1 Highland Ridge Hospital.

2
3 4. On March 2, 2015, the Board received a copy of a contract between Respondent and
4 Professional Reaching Nevada-Recovery Network (PRN-PRN) dated March 2, 2015.
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6 5. Based upon the limited investigation conducted to date, DSO, A. Ted Twesme, DDS,
7 finds for this matter and not for any other purpose, including any subsequent civil action,
8 Respondent violated NRS 631.3475(7) relative to Respondent's addiction to a controlled
9 substance as more fully addressed in the documents referenced above.
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11 6. Respondent admits to the findings of the DSO, A. Ted Twesme, DDS, contained in
12 **Paragraph 5** and admits for this matter and not for any other purpose, including any subsequent
13 civil action if this matter were to proceed to a full board hearing, a sufficient quantity and/or
14 quality of evidence could be proffered sufficient to meet a preponderance of the evidence
15 standard of proof demonstrating Respondent violated the statutory provision(s) noted above in
16 **Paragraph 5**.
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18 7. Based upon the limited investigation conducted to date, the findings of the Disciplinary
19 Screening Officer, and the admissions by Respondent contained in **Paragraph 6** above, the
20 parties have agreed to resolve the pending investigations pursuant to the following disciplinary
21 terms and conditions:
22

23 A. Pursuant to NRS 631.350(1)(d)(h), Respondent shall be placed on probation and his
24 dental practice shall be supervised for a period of three (3) years from the adoption of this
25 Stipulation (hereinafter "probationary period"). During the probationary period,
26 Respondent shall allow either the Executive Director of the Board and/or the agent
27 appointed by the Executive Director of the Board to inspect Respondent's records during
28 normal business hours to insure compliance of this Stipulation. During the probationary
period, Respondent's practice shall be supervised and monitored regarding record

1 keeping and dental treatments, including but not limited to patients who receive general
2 anesthesia. Such supervision and monitoring shall include, but will not be limited to,
3 personally observing the treatment rendered to those patients who receive general
4 anesthesia.

5 B. In the event Respondent no longer practices dentistry in the State of Nevada prior to
6 completion of the above-referenced probationary period, the probationary period shall be
7 tolled. In the event the probationary period is tolled because Respondent does not practice
8 in the State of Nevada and the terms and conditions of this Stipulation Agreement are not
9 satisfied (i.e., including completion of the probationary period) within four (4) years of
10 adoption of this Stipulation Agreement by the Board, Respondent agrees his license to
11 practice dentistry in Nevada will be deemed voluntarily surrendered with disciplinary
12 action. Thereafter the Board's Executive Director without any further action or hearing
13 by the Board shall issue an Order of Voluntary Surrender with disciplinary action and
14 report same to the National Practitioners Data Bank.

15 C. Pursuant to NRS 631.350(1)(d), Respondent shall execute a HIPAA compliant release in
16 favor of the Board and its agents/attorneys with regards to any and all information
17 regarding the contract between Respondent and Professional Reaching Nevada-Recovery
18 Network (PRN-PRN) dated March 2, 2015.

19 D. Pursuant to NRS 631.350(1)(d), during the probationary period, the following terms and
20 conditions shall apply with regards to Respondent's administration of general anesthesia
21 or deep sedation (subject to an earlier cessation/modification as more fully addressed
22 below):

23 1. Respondent shall submit an application to the Board for a general
24 anesthesia permit. If Respondent's application for a general anesthesia permit ("GA
25 permit") is approved/granted, it is specifically agreed and acknowledged that the GA
26 permit shall immediately be subject to the following terms and conditions:

27 a. Respondent's GA permit shall be utilized by Respondent for the
28 sole purpose of employing a certified registered nurse anesthetist ("CRNA") to
administer general anesthesia or deep sedation or conscious sedation to patients with
Respondent being physically present and directly supervising the administration of the
general anesthesia or deep sedation or conscious sedation to patients, pursuant to NAC
631.224. Put another way and so there is no misunderstanding, until such time as the
restrictions referenced herein in this paragraph are removed, Respondent's GA permit
only allows for the administration of general anesthesia or deep sedation or conscious
sedation pursuant to Respondent's GA permit via a CRNA employed by Respondent who
administers general anesthesia or deep sedation or conscious sedation to patients with
Respondent being physically present and directly supervising the administration of the

1 general anesthesia or deep sedation or conscious sedation to patients, pursuant to NAC
2 631.224. Respondent shall provide the names, contact telephone numbers and home
3 addresses of the CRNA that will be administering general anesthesia and/or conscious
4 sedation under Respondent's direct supervision. Additionally, Respondent shall obtain a
5 copy of the CRNA's Nevada state license and submit a copy to the Board's Executive
6 Director evidencing that the CRNA is currently licensed in Nevada and in good standing
7 as a CRNA with the Nevada State Board of Nursing. During the period Respondent is
8 subject to the terms and conditions of this paragraph, Respondent shall not access
9 medications and/or controlled substances from the office location's storage cabinet (see
10 below regarding requirements for same) without the CRNA being physically present in
11 the room with Respondent.

12 b. After twelve (12) months from the adoption of this Stipulation by
13 the Board, assuming there are no violations of any of the provisions contained in this
14 Stipulation, the Respondent may petition the Board to remove the above-referenced
15 restrictions on Respondent's GA permit (this obviously assumes Respondent made
16 application for a GA permit and the same was granted by the Board).). If granted. The
17 Respondent may resume the administration of general anesthesia without employing a
18 certified nurse anesthetist. However Respondent will continue to be required to maintain
19 medication logs for all medications used for general, deep and/or conscious sedation. If
20 the petition(s) is/are denied, the above-referenced restrictions on Respondent's GA
21 permit shall continue for the remainder of the duration of the probationary period or
22 pursuant to further order of the Board.

23 2. Respondent acknowledges and agrees that upon receipt by the Board's
24 Executive Director of substantial evidence that Respondent has violated or failed to
25 comply with any of the terms and conditions of Paragraphs 7.D., 7.D.1., 7.D.1.a., and/or
26 7.D.1.b., Respondent agrees his license to practice dentistry in the State of Nevada shall
27 be automatically revoked without any further action of the Board other than the issuance
28 of an Order of Revoked by the Board's Executive Director. Thereafter, Respondent may
request after one (1) year from the date of the Order of Revocation submit an application
for license assuming Respondent is in compliance with all other terms and conditions of
this stipulation. Respondent waives any right to seek judicial review, including injunctive
relief from any court of competent jurisdiction, including a Nevada Federal District Court
or Nevada State District Court to reinstate his privilege to practice dentistry in the State
of Nevada. Respondent shall also be responsible for any costs or attorney's fees incurred
in the event the Board has to seek injunctive relief to prevent Respondent from practicing
dentistry during the period Respondent's license is automatically revoked.

29 E. Pursuant to NRS 631.350(1)(d), during the probationary period, the following additional
30 terms and conditions shall apply to Respondent (subject to an earlier
31 cessation/modification as more fully addressed below):

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1. Respondent shall enroll in the "Options Patch Program" with Options Diversionary Programs, LLC (or another same or substantially similar program which is approved in writing by the Board's Executive Director) wherein Respondent shall wear the required patch (i.e., PharmChem Sweat Patch) pursuant to the program's requirements. Respondent shall comply with all terms and requirements of the Options Program. Respondent shall and does hereby grant the Board and/or its agents the right to receive and review information and documents regarding Respondent's participation in the Options Program. Respondent shall sign any required authorization for documents and information and/or HIPAA compliant release in favor of the Board with regards to the Respondent's progress and participation in the Options Program. Further, Respondent also agrees that the Board shall be listed as a person/entity to be advised by the Options Program if Respondent tests positive and/or the patch detects controlled, non-prescribed, and/or illegal drugs/substances. Respondent is responsible for all costs associated with Respondent's participation in the "Options Program".

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a. In the event any Options Program test and/or patch indicates the presence of controlled substances (not pursuant to a valid prescription) and/or illegal drugs/substances, the Board's Executive Director, without any further hearing or action by the Board, shall issue an Order suspending Respondent's license to practice dentistry in the State of Nevada. Thereafter, Respondent may request a hearing before the Board to reinstate Respondent's license to practice dentistry in Nevada. During the pendency of the hearing before the Board, Respondent waives any right to seek judicial review to reinstate his privilege to practice dentistry in the State of Nevada pending a final Board hearing.

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b. In the event an Options Patch is comprised or tampered with by Respondent such comprised or tampered Options patch shall be deemed a presumed positive test of the presence of controlled substances (not pursuant to a valid prescription) and/or illegal drugs/substances and the Board's Executive Director, without any further hearing or action by the Board, shall issue an Order suspending Respondent's license to practice dentistry in the State of Nevada. Thereafter, Respondent may request a hearing before the Board to reinstate Respondent's license to practice dentistry in Nevada. During the pendency of the hearing before the Board, Respondent waives any right to seek judicial review to reinstate his privilege to practice dentistry in the State of Nevada pending a final Board hearing.

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b. Respondent authorizes reports/information generated from the Options Program to be furnished to the Executive Director of the Board. All reports submitted to the Executive Director of the Board shall remain confidential.

1 However, in the event any Options Program test and/or patch indicates the
2 presence of controlled substances (not pursuant to a valid prescription) and/or
3 illegal drugs/substances, such information/documents shall become a public
4 record and may be used in connection with any subsequent proceedings involving
5 Respondent.

6 2. After twelve (12) months from beginning the Options Program, if
7 Respondent has received no positive tests and/or has had no comprised/tampered patches
8 (as more fully addressed herein), Respondent may petition the Board to be removed from
9 the Options Program requirement (assuming there are no other violations of any of the
10 provisions contained in this Stipulation).

11 a. If a petition submitted by Respondent to be released from the
12 Options Program is denied by the Board, Respondent shall continue with the
13 Options Program for the remainder of the probationary period or pursuant to the
14 terms of an Order of the Board. Respondent further agrees during the three (3)
15 year probationary period the Board's Executive Director shall have the
16 discretionary authority to Order Respondent to submit to random hair, blood,
17 and/or urine tests/analysis (as more fully addressed herein). Testing/analysis shall
18 be for controlled, non-prescribed, and/or illegal drugs/substances.

19 b. If a petition submitted by Respondent to be released from the
20 Options Program is granted by the Board, Respondent agrees he shall then, for the
21 remainder of the probationary period, be subject to random hair, blood, and/or
22 urine tests/analysis. Testing/analysis shall be for controlled, non-prescribed,
23 and/or illegal drugs/substances. Said random tests shall be at the direction of the
24 Board's Executive Director. Requests by the Board's Executive Director shall be
25 complied with within four (4) hours of being personally served in writing with a
26 request to appear for a random hair, blood, and/or urine test/analysis. Information
27 regarding the testing facility(ies) will be provided to the Respondent before any
28 request for testing is made. Respondent shall sign any required authorization for
documents and information and/or HIPAA compliant release in favor of the
Board with regards to the testing facility and test/analysis results. All
costs/expenses associated with the testing/analysis shall be the responsibility of
the Respondent.

1. In the event any test performed on Respondent's blood,
urine and/or hair tests positive, indicating the presence of controlled
substances (not pursuant to a valid prescription) and/or illegal
drugs/substances, the Board's Executive Director, without any further
hearing or action by the Board, shall issue an Order suspending
Respondent's license to practice dentistry in the State of Nevada.

1 Thereafter, Respondent may request a hearing before the Board to
2 reinstate Respondent's license to practice dentistry in Nevada. During the
3 pendency of the hearing before the Board, Respondent waives any right to
4 seek judicial review to reinstate his privilege to practice dentistry in the
5 State of Nevada pending a final Board hearing.

6 2. In the event Respondent, after personal service fails to
7 present himself for random drug testing, within four (4) hours when
8 ordered by the Executive Director, the Executive Director without any
9 further hearing or action by the Board, shall issue an Order suspending
10 Respondent's license to practice dentistry in the State of Nevada.
11 Thereafter, Respondent may request a hearing before the Board to
12 reinstate Respondent's license to practice dentistry in Nevada. During the
13 pendency of the hearing before the Board, Respondent waives any right to
14 seek judicial review to reinstate his privilege to practice dentistry in the
15 State of Nevada pending a final Board hearing. If respondent is planing on
16 being out of the state of Nevada or will not be available for testing
17 Respondent must in writing inform the Board's Executive Director of any
18 such unavailability at least forty-eight (48) hours in advance.

19 3. Respondent authorizes reports/information generated from
20 the random drug test to be furnished to the Executive Director of the
21 Board. All reports submitted to the Executive Director of the Board shall
22 remain confidential. However, in the event Respondent tests positive for
23 an illegal or controlled substances not prescribed to Respondent, such test
24 results shall become a public record and may be used in connection with
25 any subsequent proceedings involving Respondent.

26 F. Pursuant to NRS 631.350(1)(d), during the probationary period, the following additional
27 terms and conditions shall apply to Respondent:

28 1. Respondent shall not prescribe more than twenty (20) units of a controlled
substance to a patient for each treatment date.

2. Respondent shall not order more than 250 cc of 0.05 mg/cc of fentanyl in
any thirty (30) calendar day period.

3. Respondent shall utilize only one (1) supplier for anesthesia medications.
Respondent shall provide the Board with the name, address, and contact address for the
supplier. Respondent shall and does hereby grant the Board and/or its agents the right to
receive and review information and documents regarding Respondent's anesthesia
medication supplier(s). Respondent shall sign any required authorization for documents

1 and information from and with regards to Respondent's anesthesia medications supplier.
2 Respondent shall also authorize that a copy of each drug order from any and all
3 designated supplier(s) will be sent to A. Ted Twesme, DDS, DSO so that drug
inventories can be verified during onsite inspections.

4 If Respondent intends to change suppliers for anesthesia medications, Respondent
5 shall advise the Board's Executive Director in writing and provide an appropriate
6 authorization for documents/information for the new supplier in favor of the Board (as
7 referenced above). Information to be provided to the Board's Executive Director shall
include:

- 8 a. the name, address, and contact information of the current supplier
- 9 b. the beginning date and end date for the current supplier
- 10 c. the name, address, and contact information for the new supplier
- 11 d. the beginning date for the new supplier

12 4. All anesthesia medications and controlled substances shall be stored in a
13 cabinet/safe secured by a keyed and/or combination lock. This requirement applies to
14 each office location where Respondent practices dentistry and/or where the
15 administration of general anesthesia may be performed by Respondent or, as more fully
16 addressed above, by a CRNA. Respondent shall provide a list of all facilities/sites and
17 their addresses where he will be supervising CRNA administered general anesthesia
18 and/or conscious sedation. All such locations must have current site certification by the
19 Nevada State Board of Dental Examiners for the administration of general anesthesia.

20 5. Respondent also agrees that the only person who will have access to the
21 drug lock boxes will be Dr. Ross Stokes, a currently fully licensed dentist in Nevada,
22 and/or the CRNA(s) that have previously been designated by the Respondent under the
23 terms and conditions noted above in this Stipulation. Respondent further agrees that an
24 inventory of all general anesthesia and/or conscious sedation drugs will be kept at each
25 office by Dr. Ross Stokes and/or the designated CRNA(s). Such inventories shall contain
26 the date and amount of drugs removed and/or transferred to another facility for patient
27 use. Additionally, the designated CRNA(s) shall keep an accurate drug log that lists the
28 patient's name, date of administration, amounts given to the patient, and any amounts that
were properly discarded. These logs shall be kept in the drug lock box at each site and
shall be available for inspection with or without prior notice during normal working
hours by the Executive Director of the Nevada State Board of Dental Examiners and/or
an agent appointed by the Board.

6. Respondent acknowledges and agrees that upon receipt by the Board's
Executive Director of substantial evidence that Respondent has violated or failed to
comply with any of the terms and conditions of Paragraphs 7.F.1., 7.F.2., 7.F.3., 7.F.4.

1 and/or 7.F.5., Respondent agrees his license to practice dentistry in the State of Nevada
2 shall be automatically suspended without any further action of the Board other than the
3 issuance of an Order of Suspension by the Board's Executive Director. Thereafter,
4 Respondent may request, in writing, a hearing before the Board to reinstate Respondent's
5 license. However, prior to a full Board hearing, Respondent waives any right to seek
6 judicial review, including injunctive relief from any court of competent jurisdiction,
7 including a Nevada Federal District Court or Nevada State District Court to reinstate his
8 privilege to practice dentistry in the State of Nevada pending a final Board hearing.
9 Respondent shall also be responsible for any costs or attorney's fees incurred in the event
10 the Board has to seek injunctive relief to prevent Respondent from practicing dentistry
11 during the period Respondent's license is automatically suspended.

12 G. Pursuant to NRS 631.350(1)(d), Respondent further agrees during the above-referenced
13 probationary period wherein Respondent is practicing dentistry in the State of Nevada,
14 Respondent shall maintain a daily log containing the following information for any
15 patient(s) who receive anesthesia:

- 16 1. Name of patient
- 17 2. Date treatment commenced
- 18 3. Surgical treatment performed

19 The daily log shall be made available during normal business hours without notice. In
20 addition, during the above-referenced probationary period, Respondent shall mail to the
21 Board no later than the fifth (5th) day of the month a copy of the daily log(s) for the
22 preceding calendar month (for example: by May 5, Respondent shall mail to the Board a
23 copy of daily log(s) for the month of April) (hereinafter "monthly log mailing
24 requirement"). Respondent acknowledges failure to comply with the monthly log mailing
25 requirement shall be an admission of unprofessional conduct. In addition, failure to
26 maintain and/or provide the daily log upon request by an agent of the Board shall be an
27 admission of unprofessional conduct. Upon receipt of substantial evidence that
28 Respondent has either failed to comply with the monthly log mailing requirement, failed
to maintain or has refused to provide the daily log upon request by an agent assigned by
the Executive Director, or Respondent has refused to provide copies of patient records
requested by the agent assigned by the Executive Director, Respondent agrees his license
to practice dentistry in the State of Nevada shall be automatically suspended without any
further action of the Board other than the issuance of an Order of Suspension by the
Executive Director. Thereafter, Respondent may request, in writing, a hearing before the
Board to reinstate Respondent's license. However, prior to a full Board hearing,
Respondent waives any right to seek judicial review, including injunctive relief from any
court of competent jurisdiction, including a Nevada Federal District Court or Nevada
State District Court to reinstate his privilege to practice dentistry in the State of Nevada
pending a final Board hearing. Respondent shall also be responsible for any costs or

1 attorney's fees incurred in the event the Board has to seek injunctive relief to prevent
2 Respondent from practicing dentistry during the period Respondent's license is
3 automatically suspended.

4 H. Pursuant to NRS 622.400, Respondent shall reimburse the Board for the cost of the
5 investigations and cost associated in enforcing the terms and conditions of probation in
6 the amount of Nine Thousand Eight Hundred & Fifty (\$9,850.00) Dollars. Respondent
7 shall make two equal payments. The first payment of Four Thousand Nine Hundred &
8 Twenty-five (\$4,925.00) Dollars shall be received by the Board no later than thirty (30)
9 days after adoption of this Stipulation. The second payment will be received no later than
10 one hundred and twenty (120) days after the adoption of this stipulation. Both payments
11 must be made payable to the Nevada State Board of Dental Examiners and mailed
12 directly to 6010 S. Rainbow Blvd., Suite A1, Las Vegas, Nevada 89118.

13 I. In the event Respondent defaults on any of the payments set forth in **Paragraph 7** (and
14 any of its subparts), Respondent agrees his license to practice dentistry in the State of
15 Nevada may be automatically be suspended without any further action of the Board other
16 than issuance of an Order of Suspension by the Board's Executive Director. Subsequent
17 to the issuance of the Order of Suspension, Respondent agrees to pay a liquidated damage
18 amount of Twenty Five and xx/100 Dollars (\$25.00) for each day Respondent is in
19 default on the payment(s) of any of the amounts set forth in **Paragraph 7** (and any of its
20 subparts). Upon curing the default of the applicable defaulted payment contained in
21 **Paragraph 7** and paying the reinstatement fee, Respondent's license to practice dentistry
22 in the State of Nevada will automatically be reinstated by the Board's Executor Director,
23 assuming there are no other violations by Respondent of any of the provisions contained
24 in this Stipulation Agreement. Respondent shall also be responsible for any costs or
25 attorney's fees incurred in the event the Board has to seek injunctive relief to prevent
26 Respondent from practicing dentistry during the period in which his license is suspended.
27 Respondent agrees to waive any right to seek injunctive relief from any court of
28 competent jurisdiction, including a Nevada Federal District Court or a Nevada State
District Court to reinstate her license prior to curing any default on the amounts due and
owing as addressed above.

J. In the event Respondent fails to cure any defaulted payments within forty-five (45) days
of the default, Respondent agrees the amount may be reduced to judgment.

K. Respondent waives any right to have any amount(s) owed pursuant to this Stipulation
discharged in bankruptcy.

CONSENT

8. Respondent has read all of the provisions contained in this Stipulation Agreement and

1 agrees with them in their entirety.

2
3 9. Respondent is aware by entering into this Stipulation Agreement he is waiving certain
4 valuable due process rights contained in, but not limited to, NRS 631, NAC 631, NRS 233B and
5 NAC 233B.

6
7 10. Respondent expressly waives any right to challenge the Board for bias in deciding
8 whether or not to adopt this Stipulation Agreement in the event this matter was to proceed to a
9 full Board hearing.

10 11. Respondent and the Board agree any statements and/or documentation made or
11 considered by the Board during any properly noticed open meeting to determine whether to
12 adopt or reject this Stipulation Agreement are privileged settlement negotiations and therefore
13 such statements or documentation may not be used in any subsequent Board hearing or judicial
14 review, whether or not judicial review is sought in either the State or Federal District Court.

15
16 12. Respondent acknowledges he has read this Stipulation Agreement. Respondent
17 acknowledges he has been advised he has the right to have this matter reviewed by independent
18 counsel and he has had ample opportunity to seek independent counsel. Respondent has been
19 specifically informed he should seek independent counsel and advice of independent counsel
20 would be in Respondent's best interest. Having been advised of his right to independent counsel,
21 as well as had the opportunity to seek independent counsel, Respondent hereby acknowledges he
22 is has voluntarily chosen not seek and/or retain independent counsel. Notwithstanding,
23 Respondent specifically admits and acknowledges his understanding of the terms and conditions
24 of this Stipulation Agreement. Respondent's initials: TS.

25 13. Respondent acknowledges he is consenting to this Stipulation Agreement voluntarily,
26 without coercion or duress and in the exercise of her own free will.

1
2 14. Respondent acknowledges no other promises in reference to the provisions contained in
3 this Stipulation Agreement have been made by any agent, employee, counsel or any person
4 affiliated with the Nevada State Board of Dental Examiners.

5
6 15. Respondent acknowledges the provisions in this Stipulation Agreement contain the entire
7 agreement between Respondent and the Board and the provisions of this Stipulation Agreement
8 can only be modified, in writing, with Board approval.

9 16. Respondent agrees in the event the Board adopts this Stipulation Agreement, he hereby
10 waives any and all rights to seek judicial review or otherwise to challenge or contest the validity
11 of the provisions contained herein.

12
13 17. Respondent and the Board agree none of the parties shall be deemed the drafter of this
14 Stipulation Agreement. In the event this Stipulation Agreement is construed by a court of law or
15 equity, such court shall not construe it or any provision hereof against any party as the drafter.
16 The parties hereby acknowledge all parties have contributed substantially and materially to the
17 preparation of this Stipulation Agreement.

18 18. Respondent specifically acknowledges by his signature herein and by her initials at the
19 bottom of each page (and at **Paragraph 12** above) of this Stipulation Agreement, he has read
20 and understands its terms and acknowledges he has signed and initialed of his own free will and
21 without undue influence, coercion, duress, or intimidation.

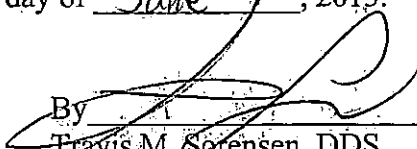
22
23 19. Respondent acknowledges in consideration of execution of this Stipulation Agreement,
24 Respondent hereby releases, remises, and forever discharges the State of Nevada, the Board, and
25 each of their members, agents, employees and legal counsel in their individual and representative
26 capacities, from any and all manner of actions, causes of action, suits, debts, judgments,
27 executions, claims, and demands whatsoever, known and unknown, in law or equity, that
28 Respondent ever had, now has, may have, or claim to have against any or all of the persons or
entities named in this section, arising out the complaint(s) and/or the above-referenced Patient(s).

1 if any.

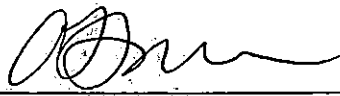
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3 20. Respondent acknowledges in the event the Board adopts this Stipulation Agreement, it
4 may be considered in any future Board proceeding(s) or judicial review, whether such judicial
5 review is performed by either the State or Federal District Court(s).

6
7 21. This Stipulation Agreement will be considered by the Board in an open meeting. It is
8 understood and stipulated the Board is free to accept or reject this Stipulation Agreement and if it
9 is rejected by the Board, the Board may take other and/or further action as allowed by statute,
10 regulation, and/or appropriate authority. This Stipulation Agreement will only become effective
11 when the Board has approved the same in an open meeting. Should the Board adopt this
12 Disciplinary Stipulation Agreement, such adoption shall be considered a final disposition of a
13 contested case and will become a public record and is reportable to the National Practitioner
14 Data Bank.

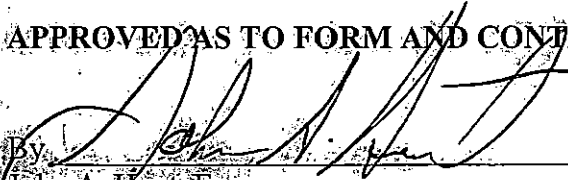
15 DATED this 16 day of June, 2015.

16
17 By 
18 Travis M. Sorensen, DDS
19 Respondent

20 **APPROVED AS TO FORM AND CONTENT**

21 By  this 16th day of June, 2015.
22 A. Ted Twesme, DDS
23 Disciplinary Screening Office

24 **APPROVED AS TO FORM AND CONTENT**

25
26 By  this 16 day of June, 2015.
27 John A. Hunt, Esq.
28 Morris Polich & Purdy, LLP
Board Counsel

1
2 **BOARD ACTION**

3 This *Disciplinary Stipulation Agreement* in the matter captioned as Nevada State Board
4 of Dental Examiners vs. Travis M. Sorensen, DDS, case no. 74127-02779 was (check
5 appropriate action):

6 Approved X

Disapproved _____

7
8 by a vote of the Nevada State Board of Dental Examiners at a properly noticed meeting

9 DATED this 19 day of June, 2015,

10 
11 **Timothy T. Pinther, DDS - President**
12 **NEVADA STATE BOARD OF DENTAL EXAMINERS**

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