

NEVADA STATE BOARD OF OPTOMETRY



CHEN K. YOUNG, O.D.
Board President

MARIAH L. SMITH, O.D.
Board Vice-President

Post Office Box 1824
Carson City, Nevada 89702
Telephone: (775) 883-8367
Facsimile: (775) 305-0105
E-Mail: admin@nvoptometry.org

CAREN C. JENKINS, ESQ.
Executive Director
cjenkins@nvoptometry.org

JEFFREY K. AUSTIN, O.D.
Board Member

DREW JOHNSON
Public Board Member

Meeting Materials for

FEBRUARY 9, 2021

Board Meeting

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OF

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Agenda

NEVADA STATE BOARD OF OPTOMETRY



AGENDA & NOTICE OF REGULAR PUBLIC MEETING

The Nevada State Board of Optometry will hold a **telephonic** meeting

Tuesday, February 9, 2021, at 12 Noon

The public is invited to attend telephonically.

Dial **(712) 451-0223, and when prompted, enter Access code: 292304#**

AGENDA

***INDICATES ACTION MAY BE TAKEN.**

1. Welcome, Introductions and **Public Comment**.
2. **Call to Order**, Roll Call.
3. ***For Possible Action**. Consideration and approval of the **minutes** of the December 10, 2020 Board meeting. (Jenkins)
4. ***For Possible Action**. Report, discussion and decision regarding the Board's involvement and participation in the Professional Licensing Collaborative and **legislative action** regarding occupational licensing. (Jenkins)
5. ***For Possible Action**. Consideration and acceptance of the **FY 2020 Audit Report** from Steele & Associates CPAs. (Jenkins)
6. ***For Possible Action**. Consideration of and approval of Audit service provider for FY2021 through FY2024.(Jenkins)
7. ***For Possible Action**. Determination of whether to share licensees' addresses on request, and whether certain information gathered during licensure /renewal should be kept confidential (other than social security numbers, and banking and health records). (Bhalla and Padilla)
8. Staff Report:
 - Change in Bookkeeping Services and other operating adjustments (Jenkins)
 - January 1, 2021 License statistics report (Padilla)
9. Announcements/requests for future consideration (No action on these items at this meeting).
10. **Public Comment**.
11. ***For Possible Action**. Adjournment.

FY 2020-2021 Remaining regular meeting schedule Tuesdays at Noon by telephone: April 13, 2021 and June 8, 2021.

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The Board posted this notice on the board website (nvoptometry.org), the State of Nevada Public Notices website (<https://notice.nv.gov>), at the board office, and at the following locations:

Office of the Nevada Attorney General, 5420 Kietzke Lane, Reno;
Office of the Nevada Attorney General 555 E. Washington Ave. #3900, Las Vegas; and
Douglas County Courthouse, 1616 8th Street, Minden.

The Board will take reasonable measures to accommodate persons with disabilities who wish to attend this meeting. Please call Caren C. Jenkins at (775) 883-8367 in advance for arrangements.

MEETING MATERIALS: To view the meeting materials provided to the Board in advance, if any, visit www.nvoptometry.org, or request a hard copy 5 days in advance by emailing your request to admin@nvoptometry.org.

Materials for Agenda Item

No. 3

Draft Minutes of Meeting on

December 10, 2020

NEVADA STATE BOARD OF OPTOMETRY



MINUTES OF PUBLIC MEETING

December 10, 2020

- 1. Call to Order.** President Chen Young, O.D. opened the telephonic meeting at 12:03 p.m. and asked for public comment. No public comments were offered.
- 2. Call to Order and Roll Call.** President Chen Young, O.D., Vice President Mariah Smith, O.D., Jeff Austin, O.D., and Drew Johnson were all in attendance. Also present were Executive Director Caren C. Jenkins, Board Counsel Asheesh Bhalla, Esq., and Licensing Specialist Nancy Padilla. Public attendees included Antonia Siciliano, O.D., Steve Girisgen, O.D., Harlan Kopolow, O.D. and NOA Executive Director, Terri Ogden.
- 3. Consideration and approval of the minutes of the October 13, 2020, Board meeting.** All members having had an opportunity to consider the proposed minutes, Dr. Johnson moved, and Dr. Smith seconded the motion to adopt the minutes without correction. Unanimous passage.
- 4. Board consideration of COMPLAINT NO. 21-10 regarding the alleged actions of ANTONIA SICILIANO, O.D., License No. 1003.** While Respondent had admitted to having issued a prescription without holding OPAC certification while substituting for other optometrists in Nevada (NRS 636.286(3)), the Board must determine whether disciplinary action should be taken in light of the circumstances of the Complaint. Executive Director Jenkins provided an overview and explained that the Complaint appeared to have been brought as retribution for a separate legal action between Complainant and Respondent. Considering the difficulties between these parties, the Executive Director's initial recommendation was dismissal of the action. After Dr. Siciliano presented her defense and the Board completed its questioning, Ms. Jenkins explained that if the Board found that a violation exists, the least onerous discipline would be a public reprimand. Dr. Siciliano highlighted that the Complaint was filed with the Board a significant time after the alleged conduct, but shortly after she had filed an action against the complainant in small claims court. Related communications between the parties have been nasty. As a result, the Complaint appears wholly retaliatory.

After all Board members' questions were satisfied, Dr. Austin recognized that, since the incident, Dr. Siciliano had obtained her OPAC certificate. He supports dismissal of the Complaint.

Dr. Smith expressed that Dr. Siciliano clearly violated the optometry laws and admitted that she was unclear about her authority to prescribe. Dr. Smith also explained that when an optometrist writes a prescription for a medication that also could be used for diagnostic purposes, it is being used as a therapeutic, and OPAC certification is required. Dr. Smith recommended that the Board require Dr. Siciliano to show a new-found clarity about the law by retaking and passing the Nevada Law Exam.

Member Drew Johnson and President Young both aligned with Dr. Austin's suggestion to dismiss the complaint, and identified their preferred remedy as somewhere between Dr. Austin's and Dr. Smith's positions.

Dr. Austin moved to impose a public reprimand without discipline, but Ms. Jenkins explained that a public reprimand, by its nature, constitutes discipline and would need to be reported to the National Practitioners Data Bank, and could result in detrimental outcomes for Dr. Siciliano. Dr. Austin withdrew his motion.

Member Johnson then moved to dismiss the Complaint. Dr. Austin seconded the motion. Three members voted in favor of the motion, and Dr. Smith opposed. Motion carried.

Dr. Young asked that a reminder of the prescribing laws be included in the next newsletter.

5. Consideration and possible action regarding expiration of eyeglasses prescriptions.

Currently, Nevada law is silent about when eyeglass prescriptions expire. Executive Director Jenkins provided a survey of other jurisdictions completed by ARBO in 2018 and an informal update that she compiled. Many states already impose 1 year, 2 year, or different standard expiration dates for eyeglasses. The prescribing doctor may indicate a shorter expiration based on the patient's medical status.

Drew Johnson advocated in favor of imposing a 2-year standard expiration on eyeglasses prescriptions unless a medical reason exists for a shorter period. He pointed out that half of the states have a two-year maximum for eyeglass prescriptions, but no excess of instances of eye illnesses, or blindness have resulted.

Dr. Young thanked Mr. Johnson for raising the issue and clarified that a licensee can extend or renew a prescription to two years or write the eyeglass prescription for any length of time. Dr. Young recommended the Board adopt a Board Policy to 1.) Require a comprehensive eye examination be completed before an eyeglasses prescription may be provided to a Nevada patient, and 2.) Require that prescription expiration dates longer or shorter than 2 years be based on the patient's health status. Dr. Young also recommended that any prescription expiration law (or other legislation affecting eye-health, such as telehealth) that the Board might pursue must apply equally to optometrists, ophthalmologists, and opticians, so all operate under the same rules.

Dr. Austin supported Dr. Young's comprehensive eye exam requirement and proposed moving forward with adopting a related Board policy.

Dr. Smith pointed out that Nevada Legislators disfavor agency-made policies and that such policies

are not laws. The concept in Board Policies may help consumers understand the perils of online eye exams, but because the Board has no ability to enforce the policy against non-licensees, the step does not further the public health.

Executive Director Jenkins suggested that the Board delegate authority to Mr. Johnson and Dr. Young to act upon this concept at the upcoming legislative session if the opportunity arises. If a bill is heard where an amendment could be made, they will then need the authority to act. If the opportunity does not present itself in 2021, the Board and NOA could work toward bringing a measure to the 2023 legislature.

Dr. Smith moved to authorize Ms. Jenkins, upon conferring with Mr. Johnson and Dr. Young, to present an amendment if an opportunity becomes available so long as the changes apply to all eye care professionals, and, alternatively to prepare to move forward in 2023 with a comprehensive bill. Dr. Austin seconded the motion. All voted in favor. Motion carried. Dr. Young asked Mr. Johnson to shepherd the effort through the 2023 session, and he agreed to do so.

6. Executive Director's Report:

- **Audit status:** The audit, which was due to LCB's Audit Division on December 1, is still under construction and has not been delivered by Steele and Associates CPAs. It is expected to be completed before the end of the year.
- **License statistics report:** The report will be provided at the next meeting.
- **Office operations during pandemic:** The office staff continues to work remotely. Calls are being forwarded to the Executive Director's cell phone, and both the Executive Director and Licensing Specialist are able to access email and all documents from their homes. US Mail is being checked not less than 2 times per week. This arrangement will continue until the Nevada governor provides further guidance.

7. Announcements/requests for future consideration. The next Board meeting is scheduled for February 9, 2021, beginning at noon by telephone.

8. Public Comment. No public comment was offered.

9. Adjournment. Motion to adjourn by Dr. Smith, seconded by Dr. Austin. Unanimous motion carried at 1:19 p.m.

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FY 2021 Remaining regular meeting schedule:

Tuesdays at Noon by telephone: February 9, April 13, June 8, 2021

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These minutes were considered and adopted by majority vote at the Nevada State Board of Optometry meeting on February 9, 2021.

Caren C. Jenkins, Executive Director

Materials for Agenda Item

No. 4

Professional Licensing

Collaborative and Legislative

Action

From: [Spearman, Pat Senator](#)
Sent: Friday, January 29, 2021 11:11 AM
Cc: [Melgarejo, Cesar](#); msanchez@gov.nv.gov; [Parkes, Shelby](#)
Subject: Occupational Licensing

To Professional and Occupational Boards, Commissions, and other Entities:

Since 2018, the Office of Workforce Innovation (OWINN), Office of the Governor, has conducted [grant-funded research](#) reviewing the state's occupational licensing requirements and identifying areas for reform. As part of their research, OWINN and the American Institute for Research (AIR) have already conducted several round table discussions with you and your board members. From these round tables OWINN gathered valuable recommendations from participants, such as appointing a liaison in the Office of the Governor, and extending services from the Audit Division of the Legislative Counsel Bureau to occupational licensing boards at a lower cost.

The information received during these roundtables is important feedback for all of us. Now OWINN needs your help to locate licensed professionals to share their recent experience of the licensing process (both positive and negative). The licensee's input on these topics will help us make recommendations to reduce unnecessary barriers to occupational licensing in Nevada. As part of the participant selection process, I am asking you to send this [survey](#) to your roster of licensees.

If you have any questions concerning this survey please reach out to Mayita Sanchez, Grants and Policy Analyst, OWINN, Office of the Governor, at msanchez@gov.nv.gov.

In addition, I would like to schedule a Zoom call with as many professional and occupational licensing representatives as possible. During this call I plan to layout my intent for addressing occupational licensing matters as Chair of the Senate Committee on Commerce and Labor during the 2021 Legislative Session.

This call will be scheduled for Tuesday, February 9, 2021, at 1:00 p.m.

Please contact my legislative assistant Shelby Parkes at Shelby.Parkes@sen.state.nv.us for any questions or to confirm your attendance to this Zoom call.

Respectively,

Senator Patricia (Pat) Spearman, Chair
Senate Committee on Commerce and Labor



STATE OF NEVADA
PROFESSIONAL & OCCUPATIONAL LICENSING BOARDS
ADMINISTRATIVE COLLABORATIVE

Nevada Licensing Boards

Collaborative Members

*Athletic Trainers
Certified Court Reporters
Environmental Health Specialists
Landscape Architecture
Marriage & Family Therapists &
Clinical Professional Counselors
Massage Therapy
Occupational Therapy
Oriental Medicine
Physical Therapy
Social Workers*

Collaborative Participants

*Accountancy
Alcohol, Drug & Gambling
Counselors
Applied Behavioral Analyst
Chiropractic Physicians
Medical Examiners
Nursing
Optometry
Osteopathic Medicine
Funeral & Cemetery Services*

MEMORANDUM

Date: January 28, 2021
To: Dr. John Packam
Subject: Healthcare Providers – Health Care Data Collection
BDR 54-457

The proposed legislation would require modifications to the license renewal process to incorporate additional data collection and reporting of workforce demographics.

As you are aware, Nevada has independent professional and occupational licensing Boards that are supported entirely by licensing fees assessed to the specific professionals licensed by each Board. The proposed BDR mandates reporting by eight health care Boards and other Boards may choose to require the information.

Professional and Occupational Licensing Boards are strongly supportive of the collection of needed healthcare workforce data; however, are concerned with the responsibilities imposed upon the Boards to collect and report such data with limited resources to implement the necessary enhancements to their existing licensing data systems.

As an alternative to Boards shouldering the burden of enhancing independent licensing data systems, it is proposed that the healthcare workforce data be hosted by DHHS as follows:

- (1) Advisory Committee develops questions and format specific to professions;
- (2) ***DHHS develops and hosts the data collection system;***
- (3) ***Boards include a link to DHHS system in license renewal applications for practitioners to direct input the workforce data,***
- (4) DHHS compiles data and provides access to data for analysis and reporting.

Benefits for DHHS system hosting:

- Board's support by incorporating "direct links" to DHHS data system
- Licensees direct input at renewal into DHHS system
- Real time data would be available - not be impacted by varied renewal periods
- A single unified data collection system and process for all professions
- Optional licensed professions can be added easily
- Significantly shortened implementation timeline
- Confidentiality and de-identified information maintained at the State level
- Opportunity to Grant Fund from Workforce Development Grants
- Boards may support by offering CE credit for completion of data survey; and provide access through websites as well as at license renewal.

The following challenges have been identified in the current proposed BDR language and process:

- Board data systems are not consistent ranging from manual hard copy applications, to fully integrated contracted or customized systems
- Data system enhancements are costly, funding is an issue
- Renewal periods vary by Board, annual/biennial renewals, timing/month of renewals
- State data analysis is affected by quality and quantity of the data submitted using a periodic submittal schedule
- The State's ability to fully implement is significantly affected by ability to enhance multiple and divergent data systems at the Board level
- Boards may face staff constraints for additional data entry, system maintenance, and state reporting.

The proposed BDR language states license renewal cannot be denied for failure by a licensee to submit the information; however by including the data elements in a renewal application implies to the licensee it is a requirement.

A supported link to the DHHS system would provide an option to "opt-in" or "opt-out" and provide the opportunity for Boards to support and encourage data collection through marketing and outreach with their licensees on an on-going basis.

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Materials for Agenda Item

No. 5

2020 Audit Report

Please refer to the 2020 Audit Report Previously Provided.

NEVADA STATE BOARD OF OPTOMETRY
FINANCIAL STATEMENTS
JUNE 30, 2020

NEVADA STATE BOARD OF OPTOMETRY
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board Members of
Nevada State Board of Optometry
Carson City, Nevada

We have audited the accompanying financial statements of the governmental activities of the Nevada State Board of Optometry as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

611 N. Nevada Street
Carson City, Nevada 89703
Phone: (775) 882-7198
Fax: (775) 883-4346

Members of: CPA Connect
Nevada Society of Certified Public Accountants
American Institute of Certified Public Accountants
Affordable Housing Association of Certified Public Accountants

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the Nevada State Board of Optometry as of June 30, 2020, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension information and other post-employment benefit information, on pages 3 through 6, 25, 26 through 27 and 28 through 29, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2020, on our consideration of the Nevada State Board of Optometry's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Nevada State Board of Optometry's internal control over financial reporting and compliance.

Carson City, Nevada
December 21, 2020



NEVADA STATE BOARD OF OPTOMETRY MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Nevada State Board of Optometry annual financial report presents our discussion and analysis of the Board's financial performance during the fiscal year that ended June 30, 2020. Please read it in conjunction with the Board's financial statements, which immediately follow this section.

Financial Highlights

- Revenue for the fiscal year ended June 30, 2020 was \$281,965 representing an increase of 1.7% over fiscal year ended June 30, 2019.
- There was a decrease in long-term liabilities of \$17,935 and an increase in pension expense of \$11,627 as a result of required adjustments under GASB 68 & 82.
- There was a decrease in long-term liabilities of \$53,949 and a decrease in other post-employment benefit expense of \$56,544 as a result of required adjustments under GASB 75.

Overview of Financial Statements

This discussion and analysis are intended to serve as an introduction to the Board's basic financial statements. The Board's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Board's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Board's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Board is improving or deteriorating.

The statement of activities presents information showing how the Board's net position changed during the most recent fiscal year. All changes in net positions are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused compensated absences).

The government-wide financial statements outline functions of the Board that are principally supported by license fees. The governmental activities of the Board include licensing and regulation of Optometrists and to accredit schools of optometry in the State of Nevada. The government-wide financial statements can be found on pages 8 and 9 of this report.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Board uses only one governmental fund.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as government activities in the governmental-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows of spendable resources, as

well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Board's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the governmental-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for government activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Board's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are on pages 8 and 9, respectively.

In accordance with Nevada Revised Statutes, the Board maintains its financial information in a special revenue fund. The basic governmental fund financial statements can be found on pages 8 and 9 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 10 through 23 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Board's budget process. The Board adopts an annual budget and a budgetary comparison has been provided in the governmental fund statement of revenue, expenditures and change in fund balance on page 25 of this report.

Condensed Financial Statements

The Condensed Statements of Net Position is as follows:

	<u>06/30/2020</u>	<u>06/30/2019</u>
ASSETS		
Current & other assets	\$ 771,273	\$ 565,194
Deferred outflows of resources	170,487	197,457
Capital assets, net	7,115	2,708
Total Assets	<u>948,875</u>	<u>765,359</u>
LIABILITIES		
Current liabilities	387,587	192,751
Deferred inflows of resources	97,619	55,109
Long-term liabilities	329,952	444,346
Total Liabilities	<u>815,158</u>	<u>692,206</u>
NET ASSETS		
Non-spendable Capital Assets	7,115	2,708
Assigned for: Board Activities	126,602	70,445
Total Net Position	<u>\$ 133,717</u>	<u>\$ 73,153</u>

The Condensed Statements of Activities is as follows:

	<u>06/30/2020</u>	<u>06/30/2019</u>
REVENUE		
Program revenue-services	\$ 280,907	\$ 275,889
General revenue-investments	1,058	1,488
Total Revenue	<u>281,965</u>	<u>277,377</u>
EXPENSES		
Optometry Board operations	<u>221,401</u>	<u>407,885</u>
Excess of Revenue over Expenditures	<u>60,564</u>	<u>(130,508)</u>
CHANGE IN NET POSITION	<u>\$ 60,564</u>	<u>\$ (130,508)</u>

Government-wide Financial Analysis

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the Board, assets exceeded liabilities by \$133,716 and \$73,153 as of June 30, 2020 and 2019, respectively.

Changes in Net Assets

The Board's total revenues for the fiscal year ended June 30, 2020 were \$281,965. The total costs of all programs and services were \$221,401. The increase in net revenue is due to the adjustments associated with other post-employment benefits due to the requirements of GASB 75.

Financial Analysis of the Board's Fund

As noted earlier, the Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Board's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Board's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Board's net resources available for spending at the end of the fiscal year.

The financial performance of the Board as a whole is reflected in its governmental funds. As the Board completed the year, its governmental funds reported a balance of \$394,732.

Budgetary Highlights

The Board prepares its budget prior to the start of each year. A comparison of this budget with actual results is provided in the Statement of Revenue and Expenditures - Budget and Actual.

Capital Assets and Debt Administration

Fixed assets increased by \$4,407 during the year due to the capitalization of the updated website design less depreciation and amortization expense for the year. In government-wide financial statements, these assets are reflected at their historical costs less accumulated depreciation. Additional information can be found in the footnotes to these financial statements.

Economic Factors and Next Years' Budget and Rates

The Board used no specific economic factors in preparing its budget for fiscal year 2019/2020. The Board's revenue is limited by maximum license fees specified in the Nevada Revised Statutes and the Nevada Administrative Code. For expenses, the Board typically assumes an increase of around 20% over the prior year.

BASIC FINANCIAL STATEMENTS

NEVADA STATE BOARD OF OPTOMETRY
Statement of Net Position and Governmental Fund Balance Sheet
June 30, 2020

	Government Fund	Adjustments (Note 9)	Statement of Net Position
ASSETS			
Cash and cash equivalents	\$ 769,751	\$ -	\$ 769,751
Prepaid expenses	522	-	522
Refundable security deposit	1,000	-	1,000
Capital assets, net of accumulated depreciation	-	7,115	7,115
Total Assets	<u>771,273</u>	<u>7,115</u>	<u>778,388</u>
DEFERRED OUTFLOWS OF RESOURCES			
- Other post-employment benefits	-	5,297	5,297
- Pension requirement	-	165,190	165,190
Total Assets and Deferred Outflows of Resources	<u>\$ 771,273</u>	<u>177,602</u>	<u>948,875</u>
LIABILITIES			
Accounts payable	\$ -	-	-
Accrued payroll	-	-	-
Payroll taxes payable	999	-	999
Employee benefits payable	4,917	-	4,917
Licensing fees received in advance	370,625	-	370,625
Accrued compensated absences	-	11,046	11,046
Net other post-employment benefits liability	-	99,406	99,406
Net pension liability	-	230,546	230,546
Total Liabilities	<u>376,541</u>	<u>340,998</u>	<u>717,539</u>
DEFERRED INFLOWS OF RESOURCES			
- Other post-employment benefits	-	6,039	6,039
- Pension requirement	-	91,580	91,580
Total Liabilities and Deferred Inflows of Resources	<u>376,541</u>	<u>438,617</u>	<u>815,158</u>
FUND BALANCE/NET POSITION			
Fund Balance			
Assigned for:			
Board Activities	<u>394,732</u>	<u>(394,732)</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 771,273</u>		
NET POSITION			
Invested in capital assets, net of related debt		7,115	7,115
Unrestricted		<u>126,602</u>	<u>126,602</u>
Total Net Position		<u>\$ 133,717</u>	<u>\$ 133,717</u>

See Accompanying Notes to Financial Statements

NEVADA STATE BOARD OF OPTOMETRY
Statement of Activities and Governmental Fund Revenue, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2020

	Government Fund	Adjustments (Note 9)	Statement of Activities
EXPENDITURES/EXPENSES			
Optometry board operations	\$ 269,206	\$ (47,805)	\$ 221,401
Total Expenditures	269,206	(47,805)	221,401
PROGRAM REVENUE			
Charges for services	280,907	-	280,907
Net Program Revenue	11,701	47,805	59,506
GENERAL REVENUE			
Interest income	1,058	-	1,058
Excess of Revenue over Expenditures	12,759	(12,759)	
Change in Net Position		60,564	60,564
FUND BALANCE/NET POSITION			
Fund Balance/Net Position, June 30, 2019	381,973	(308,820)	73,153
Fund Balance/Net Position, June 30, 2020	\$ 394,732	\$ (261,015)	\$ 133,717

See Accompanying Notes to Financial Statements

NEVADA STATE BOARD OF OPTOMETRY
Notes to Financial Statements
June 30, 2020

NOTE 1 - NATURE OF OPERATIONS

The Nevada State Board of Optometry (the Board) was created in 1913 by the Nevada State Legislature. The Board is regulated by the Nevada Revised Statutes, which also specify the authorized activities of the Board. The Board is the licensing and regulatory agency for optometrists and has the power to accredit schools of optometry in the State of Nevada.

The financial statements of the Board have been prepared in accordance with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Effective July 1, 2001, Chapter 353 of the Nevada Revised Statutes (NRS) was amended to exempt certain professional and occupational boards from the state budget act and the provisions governing the administration of state funding. The provisions of Chapter 353 do not apply to boards created pursuant to chapters 485, 590 and 623 to 625A, inclusive, 628, 630 to 644, inclusive, 648, 654 and 656 of the NRS and the officers and employees thereof. Accordingly, the Board's budgeting and accounting practices and procedures have been removed from the oversight of the Department of Administration.

The Board's financial statements are not included in the financial statements of the State of Nevada since the State does not exercise financial or administrative control over the Board. This conforms with GASB codification Section 2100, *Defining the Government Reporting Entity*.

Basis of Presentation

The Board is defined as a single-program special-purpose entity under GASB Statement No. 14, paragraph 131 as amended by GASB Statement No. 39. This classification allows for the preparation of GASB 34 financial statements under an optional reporting method which combines the fund and government-wide statements into a single presentation. Under standard GASB 34 methodology, the government-wide statement of net position and statement of activities are presented independently from the respective fund balance sheet and statement of revenues, expenditures, and fund balance. A reconciliation of adjustments provided on the modified financial statements demonstrates the changes from fund financial statements to the government-wide financial statements in order to assist the reader in evaluating these statements. The Board has utilized this optional method of presentation.

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

NEVADA STATE BOARD OF OPTOMETRY
Notes to Financial Statements
June 30, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectable within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. By provision of statute, the Board administers its licensing registration annually. Revenue derived from renewals is recognized ratably over the license term.

The Board has only governmental fund types.

Fund Accounting

Under chapter 636.110 of the Nevada Revised Statutes, the general fund of the Board is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures to be used solely for the Board's benefit. According to statute, any money deposited to Nevada State Board of Optometry does not revert to the State of Nevada's general fund. The net assets of the general fund are restricted solely to be used by the Board to meet its obligation of licensing and regulating the practice of optometry in the State of Nevada.

In the fund financial statements, fund balances for the governmental fund are reported in classifications that comprise a hierarchy based primarily on how amounts can be spent. These include "non-spendable" which are not expected to be converted to cash, such as inventory or prepaid items, "restricted" by conditions of law, regulation grants or contract with external parties, "committed" which arise from acts of the Board, "assigned" which reflect an intent by management of the Board or "unassigned" which is the residual amount.

The Board first utilizes restricted resources to finance qualifying activities then unrestricted resources, as they are needed. In the governmental environment, resources are often assigned or committed to specific purposes, indicating that those amounts are not considered available for general operations. In contrast to restricted amounts, these types of constraints are internal and can be removed or modified. Therefore, assignments and commitments are not presented in the statements of net position.

The Board has adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The Board has no amounts classified as deferred outflows or inflows of resources at June 30, 2020, other than those amounts required to be reported as such under GASB 68 and GASB 75. Accordingly, there is no material impact to the Board's financial position as a result of this pronouncement. However, equity is now classified as net position and displayed in three different components. These include "Net invested in capital assets" which consist of capital assets, net of accumulated depreciation and any related debt; "Restricted net position which consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation; or "Unrestricted net position which is a net position that is neither classified as "invested in capital assets" nor as "restricted."

NEVADA STATE BOARD OF OPTOMETRY
Notes to Financial Statements
June 30, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows and Inflows of Resources

In addition to assets, a separate section is reported for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow or resources (expense/expenditure) until then. The changes in proportion and differences between employer contributions and proportionate share of contributions as well as contributions made after the measurement period for pensions and other post-employment benefits qualify for reporting in this category.

In addition to liabilities, a separate section is reported for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Differences between expected and actual experience and between projected and actual investment earnings on pension plan investments and other post-employment benefits qualify for reporting in this category.

Budget Data

The Board prepares an annual budget. The budget is prepared on a basis similar to generally accepted accounting principles under the modified accrual basis of accounting. All annual appropriations lapse at fiscal year-end.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of Nevada (PERS) and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Post-employment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, related deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Self Insurance Trust Fund, Public Employees' Benefit Program (PEBP) and additions to/deductions from PEBP's fiduciary net position have been determined on the same basis as they are reported by PEBP. For this purpose, PEBP recognize benefit payments when due and payable in accordance with the benefit terms. PEBP's cash and cash equivalents consist of short-term, highly liquid investments that are both (a) readily convertible to known amounts of cash and (b) so near to materiality that they present insignificant risk of changes in value due to changing interest rates.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NEVADA STATE BOARD OF OPTOMETRY
Notes to Financial Statements
June 30, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash is maintained in various commercial banks in Carson City, Nevada. The Board participates in the State of Nevada collateralization program to assure that funds deposited are protected. By statutes, all cash must be deposited in entities that are located in the State of Nevada.

Risk Management

The Board collects licensing fees in the State of Nevada. Financial instruments which potentially subject the Board to concentrations of credit risk consist primarily of cash equivalents. The Board has not experienced any significant losses in such accounts, nor does the Board believe it is exposed to any significant credit risk.

The Board has bank accounts, which are insured by the Federal Deposit Insurance Corporation up to \$250,000. On June 30, 2020, the bank balances exceeded federally insured limits by \$126,298.

Subsequent Events

In preparing these financial statements, the Board has evaluated events and transactions for potential recognition or disclosure through December 21, 2020, the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

Capital Assets

Capital assets, which include furniture, fixtures and equipment are reported in the net asset column in the government-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$1,000 and an estimated useful life of at least one year. Such assets are recorded at historical cost. Donated assets are recorded at estimated fair market value at the date of donation. Expenditures for minor replacements, maintenance, and repairs are charged to expense as incurred. Depreciation is provided over the estimated useful lives of 3 to 5 years of the related capital assets using the straight-line method for financial statement purposes.

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

Compensated Absences

The Board accrues a liability for compensated absences that meet all of the following criteria:

1. The Board's obligations relating to employee's rights to receive compensation for future absences is attributable to services already rendered;
2. The obligation relates to rights that vest or accumulate;
3. Payment of compensation is probable; and
4. The amount can be reasonably estimated.

Vacation and sick leave may be accumulated by employees up to certain maximums and is payable upon retirement or termination. No liability is reported for unpaid accumulated vacation or sick leave on the general fund balance sheet as no amounts were paid within 60 days subsequent to year end. Accumulated unused vacation and sick leave earned as of June 30, 2020, is reflected in the statement of net position.

NEVADA STATE BOARD OF OPTOMETRY
Notes to Financial Statements
June 30, 2020

NOTE 3 – COMPLIANCE WITH NEVADA STATUTES AND ADMINISTRATIVE CODES

During our audit of the fiscal year ended June 30, 2020, we noted the following instances of noncompliance with Statute. The Board failed to comply with NRS 636.105 by neglecting to properly update all the licensees certifications on the required register of all licensees and neglecting to maintain a record of the results of all examinations of applicants. The Board failed to comply with NRS 218G.400(1.b) due to filing its audited financial statements after the December 1 deadline.

NOTE 4 - CAPITAL ASSETS

The Board has custodial responsibility to the State of Nevada for furniture, fixtures and equipment acquired with resources of the Board. The capital asset activity during the year is as follows:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Capital assets, not being depreciated				
None				
Capital assets, being depreciated				
Office furniture and equipment	\$ 31,761	\$ -	\$ -	\$ 31,761
Website design	-	6,525		6,525
Total capital assets	31,761	6,525	-	38,286
Less accumulated depreciation	(29,053)	(2,118)	-	(31,171)
Total capital assets, being depreciated net	2,708	4,407	-	7,115
Net capital assets	\$ 2,708	\$ 4,407	\$ -	\$ 7,115

NOTE 5 - OPERATING LEASES

The Board leases office space in Carson City, Nevada. The existing lease is set to expire February 5, 2025. The monthly rental payment is \$874 per month, increasing by 3% annually on February 1, which does not include CAM expenses of \$320 per month. The lease required a \$1,000 refundable security deposit. The total amount charged to expense for the fiscal year ended June 30, 2020 was \$10,490 for rent and \$4,009 for CAM expense. The following is a schedule by years of future minimum rental payments:

<u>Year Ending June 30,</u>	
2020	\$ 14,457
2021	14,776
2022	15,104
2023	15,442
2024 and later	9,126
	<u>\$ 68,905</u>

NEVADA STATE BOARD OF OPTOMETRY
Notes to Financial Statements
June 30, 2020

NOTE 6 - LONG-TERM LIABILITIES

The following is a summary of changes in the Board's long-term liabilities, other than net pension liability and net other post-employment benefits liability:

	Balance July 1, 2019	Increases (Decreases)	Balance June 30, 2020	Due Within One Year
Accrued compensated absences	\$ 9,530	\$ 1,516	\$ 11,046	\$ 11,046

NOTE 7 - DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description

The Public Employees' Retirement System of Nevada (PERS or the System) administers a cost-sharing, multiple-employer, defined benefit public employees' retirement system which includes both Regular and Police/Fire members. The System was established by the Nevada Legislature in 1947, effective July 1, 1948. The System is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

Benefits Provided

Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010 and July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this factor is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% service time factor and for regular members entering the System on or after July 1, 2015, there is a 2.25% factor. The System offers several alternatives to the unmodified service retirement allowance which, in general allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death. Post-retirement increases are provided by authority of NRS 286.575 - .579.

Vesting

Regular members entering the System prior to January 1, 2010, are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with 30 years of service. Regular members who entered the System on or after July 1, 2015, are eligible for retirement at age 65 with 5 years of service, or at age 62 with 10 years of service or at age 55 with 30 years of service or any age with 33 1/3 years of service.

NEVADA STATE BOARD OF OPTOMETRY
Notes to Financial Statements
June 30, 2020

NOTE 7 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

Vesting (Continued)

The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985 is entitled to a benefit of up to 90% of average compensation. Both Regular and Police/Fire members become fully vested as to benefits upon completion of five years of service.

Contributions

The authority for establishing and amending the obligation to make contributions and member contribution rates, is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. Contributions are shared equally by employer and employee. Employees can take a reduced salary and have contributions made by the employer (EPC) or can make contributions by a payroll deduction matched by the employer.

The System's basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

The System receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

The actuarial funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary.

For the fiscal years ended June 30, 2019 the Statutory Employer/employee matching rate was 14.5% for Regular and 20.75% for Police/Fire. The Employer-pay contribution (EPC) rate was 28% for Regular and 40.50% for Police/Fire.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the Board reported a liability of \$230,546 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Board's proportion of the net pension liability was based on total contributions due on wages paid during the measurement period. Each employer's proportion of the net pension liability was based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2019. At June 30, 2019, the Board's proportion was .00169%.

NEVADA STATE BOARD OF OPTOMETRY
Notes to Financial Statements
June 30, 2020

NOTE 7 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the year ended June 30, 2020, the Board recognized pension expense of \$34,667 and contributions made on behalf of employees of \$13,028. Amounts totaling \$36,068, resulting from Board contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. For the year ended June 30, 2020, the Board contributed \$36,068, under the statutory requirements based upon covered payroll of \$134,731 which equates to 26.77% overall to the plan. At June 30, 2020, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,645	\$ 6,650
Net difference between projected and actual earnings on pension plan investments	-	11,469
Change in assumptions	9,382	-
Changes in proportion	111,095	73,461
Board contributions subsequent to the measurement date	36,068	-
	<u>\$ 165,190</u>	<u>\$ 91,580</u>

Deferred outflows/(inflows) of resources excluding the changed in proportion and differences between actual contributions and proportionate share of contributions will be recognized as follows:

<u>Year Ending June 30,</u>	
2021	\$ 649
2022	(4,373)
2023	1,201
2024	1,488
2025	846
2026 and later	97
	<u>\$ (92)</u>

The net difference between projected and actual investment earnings on pension plan investments will be recognized over five years, all the other above deferred outflows and deferred inflows will be recognized over the average expected remaining service lives, which was 6.18 years for the measurement period ending June 30, 2019.

NEVADA STATE BOARD OF OPTOMETRY
Notes to Financial Statements
June 30, 2020

NOTE 7 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

***Pension Liabilities, Pension Expense, Deferred Outflows of Resources and
Deferred Inflows of Resources Related to Pensions (Continued)***

Actuarial Assumptions

The System's net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.75%
Payroll growth	5.00%, including inflation
Investment rate of return	7.50%
Productivity pay increase	0.50%
Projected salary increases	Regular: 4.25% to 9.15%, depending on service Police/Fire: 4.55% to 13.9%, depending on service Rates include all inflation and productivity increases
Consumer price index	2.75%
Other assumptions	Same as those used in the June 30, 2019 funding actuarial valuation

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of the experience study for the period July 1, 2012 through June 30, 2016. The discount rate used to measure the total pension liability was 7.50% as of June 30, 2019. 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, 2019, was projected to be available to make all projected future benefit payments of 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, 2019.

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. As of June 30, 2019, PERS' long-term inflation assumption was 2.75%. The following was the Board adopted policy target asset allocation as of June 30, 2019:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return
Domestic Equity	42%	5.50%
International Equity	18%	5.50%
Domestic Fixed Income	28%	0.75%
Private Markets	10%	6.65%

NEVADA STATE BOARD OF OPTOMETRY
Notes to Financial Statements
June 30, 2020

NOTE 7 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Sensitivity of the Board's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Board's proportionate share of the net pension liability of the PERS as of June 30, 2019 calculated using the discount rate of 7.50%, as well as what the Board's share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.50%) or 1 percentage-point higher (8.50%) than the current discount rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Board's proportionate share of the net pension liability	\$ 356,821	\$ 230,448	\$ 125,400

Pension Plan Fiduciary Net Position

Additional information supporting the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer is located in the PERS Comprehensive Annual Financial Report (CAFR) available on the PERS website at www.nvpers.org under Quick Links - Publications.

NOTE 8 - OTHER POST EMPLOYMENT BENEFITS (OPEB)

The Nevada Public Employees Deferred Compensation Program

The Board employees are now eligible to participate in the Nevada Public Employees Deferred Compensation Program. The Program, established in 1977, is a voluntary tax-deferred supplemental retirement plan (IRC 457(b)), which provides participants and their beneficiaries with a supplement to their other retirement savings. The Program operates solely in the interest of the plan participants and beneficiaries. As a voluntary, participant-directed plan, participants bear the ongoing responsibility for deciding the amount of current compensation to defer and the selection of investment allocation and options. There are no employer contributions. No amount of deferred compensation was due to participant accounts by the Board as of June 30, 2020.

Public Employees Benefits Program of the State of Nevada

General Information About the OPEB Plan

Plan Description

Employees of the Board are provided with OPEB through the Self Insurance Trust Fund, Public Employees' Benefits Program (PEBP) – a cost-sharing multiple employer defined benefit OPEB plan administered by the Public Employees' Benefits Program Board (PEBP Board) which was created in 1983 by the Nevada Legislature to administer group health, life and disability insurance for covered employees, both active and retired, of the State, and certain other participating public employers within the State of Nevada. PEBP does not provide for refunds of employee contributions. The Self Insurance Trust Fund issues a publicly available financial report that can be obtained at <https://pebp.state.nv.us>.

NEVADA STATE BOARD OF OPTOMETRY
Notes to Financial Statements
June 30, 2020

NOTE 8 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

General Information About the OPEB Plan (Continued)

Plan Description (Continued)

The Board is reporting plan information consistent with the PEBP's accounting methods and assumptions as disclosed in the annual report. No information has come to our attention that indicates significant changes to the plan's disclosures.

Benefits Provided

PEBP provides medical, dental, vision, mental health and substance abuse and also offers fully insured HMO products. Long-term disability and life insurance benefits are fully insured by outside carriers.

Contributions

Per NRS 287 contribution requirements of the participating entities and covered employees are established and may be amended by the PEBP Board. The Boards' contractually required contribution for the year ended June 30, 2019, was \$2,702, actuarially determined as an amount that is expected to finance that costs of benefits earned by employees during the year. Employees are not required to contribute to the OPEB plan.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020, the Board reported a liability of \$99,406 for its proportional share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019, and the total OPEB Liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Board's proportion of the net OPEB liability was based on a projection of the Board's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating state agencies. Actuarially determined, at June 30, 2019, the Board's proportion was 0.0071%.

For the year ended June 30, 2020, the Board recognized OPEB expense of \$5,419. Amounts totaling \$3,155, resulting from Board contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. For the year ended June 30, 2020, the Board contributed \$3,155, under the statutory requirements based upon covered payroll of \$134,731 which equates to 2.34% overall to the plan. At June 30, 2020, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 2,142	\$ 4,246
Liability experience	-	1,776
Asset experience	-	17
Contributions subsequent to the measurement date	3,155	-
	<u>\$ 5,297</u>	<u>\$ 6,039</u>

NEVADA STATE BOARD OF OPTOMETRY
Notes to Financial Statements
June 30, 2020

NOTE 8 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	
2021	\$ (1,985)
2022	(1,649)
2023	(336)
2024	73
2025	-
2026 and later	-
	<u>\$ (3,897)</u>

Actuarial Assumptions

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	2.50%
Payroll growth	5.73%, average
Investment rate of return	3.51%
Healthcare cost trend rates	7.00% for 2019, see report for additional years

Mortality rates were based on the RP-2014 Combined Mortality projected to 2020 with Scale MP-2016, set back one year for females. Disabled Mortality rates were based on the RP-2014 Disabled Retiree table, set forward four years.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial valuation date of January 1, 2019, adjusted by using roll-forward procedures to determine the liability at the measurement date.

Discount Rate

The discount rate basis under GASB 75 is required to be consistent with a 20-year Municipal Bond Index. The Bond Buyer General Obligation 20-Bond Municipal Bond Index is used for the determination of the discount rate.

The discount rates as of June 30, 2019, 2018 and 2017 are 3.51%, 3.87% and 3.58% respectively. Additional detail regarding the discount rates as of June 30, 2019, 2018 and 2017 are provided in the "Actuarial Assumptions and Methods" section of the report provided by the PEBP Board.

NEVADA STATE BOARD OF OPTOMETRY
Notes to Financial Statements
June 30, 2020

NOTE 8 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of the Board's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Board's proportionate share of the net OPEB liability, as well as what the Board's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.51%)	Discount (3.51%)	1% Decrease (4.51%)
Net OPEB liability (asset)	\$ 109,604	\$ 99,406	\$ 90,559

Sensitivity of the Board's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the Board's proportionate share of the net OPEB liability, as well as what the Board's proportionate share of the net OPEB liability would be if it were calculated using health care cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current health care trend rates:

	Health Care Cost Trend Rates		
	1% Decrease (6.00% decreasing to 3.50%)	(7.00% decreasing to 4.50%)	1% Increase (8.00% decreasing to 5.50%)
Net OPEB liability (asset)	\$ 92,228	\$ 99,406	\$ 107,934

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued PEBP financial report.

NOTE 9 - CONVERSION TO GOVERNMENT-WIDE FINANCIAL STATEMENTS

Adjustments on the face of the financial statements were made to the fund balance sheet and statement of revenue, expenditures, and changes in fund balance in order to reconcile the fund financial statements to the government-wide statements of net assets and activities. These adjustments detail the effect of the capitalization of fixed assets of \$38,286, accumulated depreciation of \$31,171, depreciation expense of \$2,118, the recognition of liabilities for unpaid compensated absences of \$11,046, the recording of the Board's proportionate share of deferred outflows of resources of \$165,190, deferred inflows of resources of \$91,580 and net pension liability of \$230,546 relating to the defined benefit pension plan detailed in Note 7, and the recording of the Board's proportionate share of deferred outflows of resources of \$5,297, deferred inflows of resources of \$6,039 and net other post-employment benefits liability of \$99,406 relating to the other post-employment benefits plan detailed in Note 8.

NEVADA STATE BOARD OF OPTOMETRY
Notes to Financial Statements
June 30, 2020

NOTE 10 – SUBSEQUENT EVENTS

Recent events surrounding the COVID-19 Global Pandemic have resulted in the State of Nevada declaring a state of emergency and the Governor closing down all non-essential business in the State. This decision will have a significant impact on the economy of the area. At this time, we cannot quantify the impact that the COVID-19 virus will have on the economy and more particularly, on the Nevada State Board of Optometry. Management has developed a plan to mitigate the financial impact. While the financial impact on the economy and the Board in particular cannot be reasonably determined at this time, management feels their plan will enable them to survive the coming economic slowdown.

REQUIRED SUPPLEMENTARY INFORMATION

NEVADA STATE BOARD OF OPTOMETRY
Statement of Revenue and Expenditures – Budget and Actual
For the Year Ended June 30, 2020
(With Comparative Totals for The Year Ended June 30, 2019)

	2020			2019
	Original and Final Budget (<i>unaudited</i>)	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES				
License renewal	\$ 195,500	\$ 166,233	\$ (29,267)	\$ 176,042
Application and exam fees	13,000	30,156	17,156	23,250
Duplicate license fees	-	-	-	-
Fines	1,000	2,613	1,613	4,524
Other	277,925	81,904	(196,021)	72,073
Interest income	1,250	1,058	(192)	1,488
Total Revenues	488,675	281,965	(206,710)	277,377
EXPENDITURES				
Operations				
Salaries	134,000	139,691	(5,691)	117,626
Operating expense	41,150	50,678	(9,528)	42,470
Employee benefits	33,100	55,158	(22,058)	51,655
Professional services	31,000	18,845	12,155	39,453
Travel	9,000	4,834	4,166	7,526
Total Expenditures	248,250	269,206	(20,956)	258,730
Excess (Deficiency) of Revenues Over Expenditures	\$ 240,425	\$ 12,759	\$ (227,666)	\$ 18,647

See Accompanying Notes to Financial Statements

NEVADA STATE BOARD OF OPTOMETRY
Schedules of Required Supplementary Information
For the Year Ended June 30, 2020

**SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY
Nevada State Public Employees' Retirement System**

Year Ended June 30	Board's proportion of the net pension liability (asset)	Board's proportionate share of the net pension liability (asset)	Board's covered employee payroll	Board's proportionate share of the net pension liability (asset) as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2014	0.00118%	\$ 122,979	\$ 67,440	182.35%	76.31%
2015	0.00116%	\$ 132,758	\$ 66,737	198.93%	75.13%
2016	0.00074%	\$ 99,946	\$ 43,820	228.08%	72.23%
2017	0.00155%	\$ 205,782	\$ 94,257	218.32%	74.42%
2018	0.00216%	\$ 294,968	\$ 134,723	218.94%	75.24%
2019	0.00169%	\$ 230,546	\$ 110,000	209.59%	76.46%

See Accompanying Notes to Financial Statements

NEVADA STATE BOARD OF OPTOMETRY
Schedules of Required Supplementary Information
For the Year Ended June 30, 2020

SCHEDULE OF BOARD CONTRIBUTIONS
Nevada State Public Employees' Retirement System

Year Ended June 30	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a % of Covered Employee Payroll
2014	\$ 17,803	\$ 16,579	\$ 1,224	\$ 67,440	24.58%
2015	\$ 17,397	\$ 16,665	\$ 732	\$ 66,737	24.97%
2016	\$ 6,576	\$ 6,288	\$ 288	\$ 43,820	14.35%
2017	\$ 14,147	\$ 13,977	\$ 170	\$ 94,257	14.83%
2018	\$ 20,297	\$ 20,094	\$ 203	\$ 134,723	14.92%
2019	\$ 16,592	\$ 16,317	\$ 275	\$ 110,000	14.83%

Notes: All contributions shown reflect employer-paid contributions only. Member contributions are excluded. Actuarially determined contributions above are based on actuarially determined contribution rates (employer portion only) from most recent rate-setting year prior to year shown, applied to covered payroll for year shown.

NEVADA STATE BOARD OF OPTOMETRY
Schedules of Required Supplementary Information
For the Year Ended June 30, 2020

**SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY**
Nevada State Public Employees' Benefits Program

Year Ended June 30	Board's proportion of the net pension liability (asset)	Board's proportionate share of the net pension liability (asset)	Board's covered employee payroll	Board's proportionate share of the net pension liability (asset) as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2017	0.00300%	\$ 39,278	\$ 48,826	80.44%	0.11%
2018	0.01130%	\$ 149,378	\$ 150,288	99.39%	0.12%
2019	0.00710%	\$ 99,406	\$ 115,461	86.09%	0.02%

See Accompanying Notes to Financial Statements

NEVADA STATE BOARD OF OPTOMETRY
Schedules of Required Supplementary Information
For the Year Ended June 30, 2020

SCHEDULE OF BOARD CONTRIBUTIONS
Nevada State Public Employees' Benefits Program

Year Ended June 30	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a % of Covered Employee Payroll
2017	\$ 1,148	\$ 1,149	\$ (1)	\$ 48,826	2.35%
2018	\$ 4,474	\$ 4,479	\$ (5)	\$ 150,288	2.98%
2019	\$ 2,920	\$ 3,031	\$ (111)	\$ 115,461	2.63%

Only two year information is available due to reporting changes with GASB 75 for the fiscal year 2018.

Plan Changes

There have been no plan changes since the prior valuation.

Method changes

There have been no method changes since the prior valuation.

Assumption Changes

The assumed discount rate used by the actuary to determine the post-employment benefits liability at June 30, 2020 was decreased to 3.51 from 3.87% at June 30, 2019. The effect of the change would result in a increase in the liability. However, the decreased contributions as a percentage of the whole decreased the Board's share of the overall net OPEB liability.

REPORTS ON INTERNAL CONTROL AND COMPLIANCE

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board Members of the
Nevada State Board of Optometry
Carson City, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of the Nevada State Board of Optometry as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated December 21, 2020.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2020-001, 2020-002 and 2020-003.

611 N. Nevada Street
Carson City, Nevada 89703
Phone: (775) 882-7198
Fax: (775) 883-4346

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The Board's Response to Findings

The Nevada State Board of Optometry's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Board's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Carson City, Nevada
December 21, 2020



NEVADA STATE BOARD OF OPTOMETRY
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

**FINDINGS – FINANCIAL STATEMENTS AUDIT
SIGNIFICANT DEFICIENCIES AND MATERIAL WEAKNESS
INTERNAL CONTROL OVER FINANCIAL REPORTING**

NONE

**FINDINGS – FINANCIAL STATEMENTS AUDIT
COMPLIANCE AND OTHER MATTERS
REPORTABLE INSTANCE OF NONCOMPLIANCE**

FINDING NO. 2020-001

Statement of Condition: Audited financial statements were not approved by the Board of Directors submitted to the State of Nevada Legislative Council Bureau by December 1, 2020.

Criteria: NRS 218G.400(1.b) requires that “each board created by the provisions of NRS 630 to 644, inclusive shall... file a report of an audit of its fiscal records with the Legislative Auditor and the Chief of the Budget Division of the Office of Finance on or before December 1 following the end of that fiscal year.”

Effect of Condition: Failure to submit the audit report to the Board of Directors and subsequently to the State of Nevada Legislative Counsel Bureau, could result in the State of Nevada pursuing any and all legal remedies afforded it by Statute.

Cause of Condition: Due to the COVID-19 Global Pandemic, the transitioning to a remote working environment, resulted in the reconciliation of the accounting records not being completed in a manner sufficient to allow for a timely completion of the audit.

Recommendation: The Executive Director should endeavor to reconcile the accounting records in a timelier manner.

Comments: The Board agrees with the finding and the Executive Director has already instituted new protocols surrounding the remote working environment to allow for a more timely year end reconciliation of the accounting records.

FINDING NO. 2020-002

Statement of Condition: The Executive Director failed to sufficiently maintain a record of the results of all examination applicants in compliance with NRS 636.105

Criteria: NRS 636.105(1.c) requires that “The Executive Director shall make and keep: a record of the results of all examinations of applicants.”

Effect of Condition: Failure to properly maintain a record of the results of all examinations of applicants, could result in the State of Nevada pursuing any and all legal remedies afforded it by Statute.

NEVADA STATE BOARD OF OPTOMETRY
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

**FINDINGS – FINANCIAL STATEMENTS AUDIT
COMPLIANCE AND OTHER MATTERS
REPORTABLE INSTANCE OF NONCOMPLIANCE (CONTINUED)**

FINDING NO. 2020-002 (CONTINUED)

Cause of Condition: Due to the COVID-19 Global Pandemic, certain documents were lost as a result of transitioning to a remote working environment. These documents were not able to be recreated, as a result licensee files did not contain all required information.

Recommendation: The Executive Director should endeavor to ensure that the results of all examinations of applicants are properly maintained according to Statute.

Comments: The Board agrees with the finding and will endeavor to ensure that the results of all examinations of applicants are properly maintained according to Statute. In addition, once the issues surrounding the missing information was discovered, the Executive Director instituted new protocols to ensure documents were not missing in the future, such protocols include transitioning from paper files to files maintained in an on-line database.

FINDING NO. 2020-003

Statement of Condition: The Executive Director failed to sufficiently maintain a register of all licensees in compliance with NRS 636.105

Criteria: NRS 636.105(1.d) requires that "The Executive Director shall make and keep: a register of all licensees."

Effect of Condition: Failure to properly maintain a register of all licensees, could result in the State of Nevada pursuing any and all legal remedies afforded it by Statute.

Cause of Condition: Due to the COVID-19 Global Pandemic, certain documents were lost as a result of transitioning to a remote working environment. These documents were not able to be recreated, as a result licensee files did not contain all required information.

Recommendation: The Executive Director should endeavor to ensure that the register of all licensees is updated and accurately maintained.

Comments: The Board agrees with the finding and will endeavor to ensure that the results of all examinations of applicants are properly maintained according to Statute. In addition, once the issues surrounding the missing information was discovered, the Executive Director instituted new protocols to ensure documents were not missing in the future, such protocols include transitioning from paper files to files maintained in an on-line database.

NEVADA STATE BOARD OF OPTOMETRY
Schedule of Prior Findings and Questioned Costs
For the Year Ended June 30, 2020

**FINDINGS – FINANCIAL STATEMENTS AUDIT
SIGNIFICANT DEFICIENCIES AND MATERIAL WEAKNESS
INTERNAL CONTROL OVER FINANCIAL REPORTING**

NONE

AUDITOR'S COMMENTS

To the Nevada State Board of Optometry

We have audited the basic financial statements of the Nevada State Board of Optometry for the year ended June 30, 2020 and have issued our report thereon dated December 21, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted audit standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you in our engagement letter dated July 13, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects in conformity with U. S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Other Information in Documents Containing Audited Financial Statements

Our responsibility for the other information in the Management's Discussion and Analysis which contains the Board's financial information and report does not extend beyond the financial information identified in the audit report. We do not have an obligation to perform any procedures to corroborate any of the other information contained in the Management's Discussion and Analysis. We did, however, read the information contained therein. As a result, nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation appearing in the financial statements.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Nevada State Board of Optometry are described in the financial statements. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

The financial statement disclosure are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

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

611 N. Nevada Street
Carson City, Nevada 89703
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Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatement detected as a result of audit procedures were corrected by management:

1. Adjust deferred revenue in the amount of \$206,492 to reflect the change to a two-year licensing fee.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 21, 2020.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

As required by generally accepted auditing standards and the terms of our engagement, in planning and performing our audit, we considered the internal control solely to determine the auditing procedures to be employed for the purpose of enabling us to express our opinion on the financial statements and not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over financial reporting. Therefore, we express no opinion or other form of assurance thereon.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. Our report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated December 21, 2020, noted no material weaknesses, or significant deficiencies. However, certain instances of non-compliance were noted and detailed in the Schedule of Findings and Questioned Costs.

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

Carson City, Nevada
December 21, 2020

Sedda LLC

Materials for Agenda Item

No. 8

License Statistic Report

License Statistic Report

New Licensees since March 1, 2020	39
New OPAC Since March 1, 2020	36
New Glaucoma Certifications Since March 1, 2020	28
New Locations added since March 1, 2020	81
Location Changes since March 1, 2020	64
Total Licensees	548
Total Active	507
Total Inactive	41
Total number of locations	790
Total Mobile Clinics	1
Total Substitute Licenses	1