

NORTH CAROLINA PSYCHOLOGY BOARD
A COMPONENT UNIT OF THE STATE OF NORTH CAROLINA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NORTH CAROLINA PSYCHOLOGY BOARD
A COMPONENT UNIT OF THE STATE OF NORTH CAROLINA
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Independent Auditor's Report

To the Board of Directors
North Carolina Psychology Board
Boone, North Carolina

Report of the Financial Statements

We have audited the accompanying basic financial statements of the business-type activity of the North Carolina Psychology Board, Boone, North Carolina as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Authority'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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of 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 financial statement presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the North Carolina Psychology Board, Boone, North Carolina as of June 30, 2016, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 5 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 required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The individual fund financial schedule is presented for the purposes of additional analysis and is not a required part of the basic financial statements.

The individual fund financial schedule is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.



Bryce Holder, CPA, PA
Boone, NC
June 8, 2017

Management's Discussion and Analysis

As management of the North Carolina Psychology Board, we offer readers of the North Carolina Psychology Board financial statements this narrative overview and analysis of the financial activities of the North Carolina Psychology Board for the fiscal year ended June 30, 2016. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Board's financial statements, which follow this narrative.

Financial Highlights

- The assets of the North Carolina Psychology Board exceeded its liabilities at the close of the fiscal year by \$586,564 (net position).
- The Board's total net position decreased by \$388,836, primarily due to this not being a collection year in the two-year cycle for license renewal. This compares to an increase of \$610,137 in 2015. The unrestricted net position decreased by \$388,836.
- The business-type activity operating revenues are \$114,622 for the fiscal year.
- The Board has no debt other than compensated absences payable.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the North Carolina Psychology Board's basic financial statements. The Board's basic financial statements consist of three components: 1) the MD&A, 2) fund financial statements, and 3) notes to the financial statements. Because the Board is a special-purpose government engaged in business-type activities only, the financial statements are presented in accordance with paragraph 138 of GASB Statement 34. In addition to the financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Board. In addition to the management's discussion and analysis, management has prepared the Statement of Net Position, the Statement of Revenues, Expenses and Change in Net Position, and the Statement of Cash Flows, following the MD&A.

Overview of the Board

The North Carolina Psychology Board's primary mission is to regulate the entry of persons into, and the conduct of persons within, the profession of psychology in the State of North Carolina. The Board's operations are funded almost entirely through fees received from individuals in the psychology field.

Fund Financial Statements

The financial statements are presented on the fund basis. The fund financial statements provide a more detailed look at the Board's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Board, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance, or non-compliance, with finance-related legal requirements, such as the General Statutes (G.S.) and the Board's budget ordinance. The Board's fund is an enterprise fund, which uses the full accrual basis of accounting, and accounts for the Board's activities in a manner similar to a for-profit business.

The North Carolina Psychology Board adopts an annual budget as required by the General Statutes. The budget is a legally adopted document that incorporates input from the management of the Board, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Board to obtain funds from identified sources to finance these current period activities. The budgetary statement demonstrates how well the Board complied with the budget ordinance and whether or not the Board succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The budgetary statements are presented as supplementary information to demonstrate compliance with applicable state laws. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Notes to the Financial Statements – The next section of the financial statements is the 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 are on pages 4-8 of this report. After the notes, supplemental information is provided to show details about the Board’s fund.

North Carolina Psychology Board’s Net Position
Figure 1

	<u>2016</u>	<u>2015</u>
Current and other assets	\$ 633,043	1,031,944
Capital assets	<u> --</u>	<u> --</u>
Total assets	<u>633,043</u>	<u>1,031,944</u>
Total liabilities	<u>46,479</u>	<u>56,544</u>
Net assets:		
Invested in capital assets, net of related debt	 --	 --
Unrestricted	<u>586,564</u>	<u>975,400</u>
Total net assets	\$ <u>586,564</u>	<u>975,400</u>

Net assets may serve over time as one useful indicator of a government’s financial condition. The assets of the Board exceeded liabilities by \$586,564 as of June 30, 2016. The Board’s net position decreased by \$388,836 for the fiscal year ended June 30, 2016. The Board uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. All net assets are unrestricted.

The Board’s financial operations were influenced by the fact that the year ended June 30, 2016 was not the collection year for the bi-annual fees for the renewal licenses.

North Carolina Psychology Board's Changes in Net Position
Figure 2

	2016	2015
Revenues:		
Program revenue:		
Charges for services	\$ 114,622	1,084,716
General revenue:		
Investment income	5,984	4,836
Total Revenues	120,606	1,089,552
Expenses	509,442	479,415
Increase (decrease) in net position	(388,836)	610,137
Net Position, July 1	975,400	365,263
Net Position, June 30	\$ 586,564	975,400

Capital Assets

Capital assets – The North Carolina Psychology Board had no investment in capital assets as of June 30, 2016.

There were no major capital assets transactions during the year.

Additional information on the North Carolina Psychology Board's assets can be found in the notes of the Basic Financial Statements.

Budget Highlights for the Fiscal Year Ending June 30, 2017

Revenues from permits and fees are expected to increase, since this will be a collection year for licensure renewals. The Board will use the revenue it receives to finance programs currently in place in the current and following years.

Budgeted expenditures in the General Fund are \$613,161, which is the same as the budget for the year ended June 30, 2016. The largest expenditures continue to be employee compensation, including funding compensation and benefits adjustments, and legal and administrative expenses.

Requests for Information

This report is designed to provide an overview of the Board's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Board's Executive Director, North Carolina Psychology Board, 895 State Farm Road Suite 101, Boone, NC 28607 (828-262-2258).

NORTH CAROLINA PSYCHOLOGY BOARD
A COMPONENT UNIT OF THE STATE OF NORTH CAROLINA
STATEMENT OF NET POSITION-PROPRIETARY FUNDS
JUNE 30, 2016

<u>ASSETS</u>	<u>Enterprise Fund</u>
Cash and cash equivalents	\$ 632,607
Securities investment lending pool	436
Capital assets, net of accumulated depreciation	
Furniture, fixtures and equipment	--
Total assets	<u>633,043</u>
 <u>LIABILITIES</u>	
Accounts payable and accrued expenses	11,632
Obligations under securities lending pool	2,878
Compensated absences payable	<u>31,969</u>
Total liabilities	<u>46,479</u>
 <u>NET POSITION</u>	
Invested in capital assets, net of related debt	--
Unrestricted (deficit)	<u>586,564</u>
Total net position	<u>\$ 586,564</u>

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

NORTH CAROLINA PSYCHOLOGY BOARD
 A COMPONENT UNIT OF THE STATE OF NORTH CAROLINA
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES
 IN NET POSITION-PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016

	<u>Enterprise Fund</u>
Operating Revenues	
Fees, licenses and fines	\$ 114,622
Operating Expenses	<u>509,442</u>
Operating income (loss)	(394,820)
Non-operating Revenues (Expenses)	
Investment earnings	<u>5,984</u>
Change in net position	(388,836)
Net Position	
Beginning of year	<u>975,400</u>
End of year	<u>\$ 586,564</u>

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

NORTH CAROLINA PSYCHOLOGY BOARD
 A COMPONENT UNIT OF THE STATE OF NORTH CAROLINA
 STATEMENT OF CASH FLOWS -
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016

	<u>Enterprise Fund</u>
Cash flows from operating activities:	
Cash received from customers	\$ 114,622
Cash paid to employees for services	(341,036)
Cash paid for goods and services	<u>(178,471)</u>
Net cash received (used) by operating activities	<u>(404,885)</u>
Cash flows from investing activities:	
Interest received	<u>6,021</u>
Net cash received (used) by investing activities	<u>6,021</u>
Net increase (decrease) in cash and cash equivalents	(398,864)
Cash and cash equivalents, July 1	<u>1,031,471</u>
Cash and cash equivalents, June 30	<u>\$ 632,607</u>
 Reconciliation of operating income to net cash used by operating activities:	
Operating income (loss)	(394,820)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Changes in net assets and liabilities:	
Increase in accounts payable and accrued expenses	3,721
Decrease in securities investment lending pool	37
Decrease in compensated absences payable	<u>(13,786)</u>
Total adjustments	<u>(10,028)</u>
Net cash used by operating activities	<u>\$ (404,848)</u>

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

NORTH CAROLINA PSYCHOLOGY BOARD
A COMPONENT UNIT OF THE STATE OF NORTH CAROLINA
Notes to the Financial Statements
June 30, 2016

Note 1 - Summary of Significant Accounting Policies:

The accounting policies of the North Carolina Psychology Board conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The North Carolina Psychology Board, a component unit of the State of North Carolina, is an occupational licensing board empowered by North Carolina Senate Bill 578 in 1967 for the primary purpose of regulating the entry of persons into and the conduct of persons within the profession of psychology in the State of North Carolina. The Board is governed in accordance with North Carolina General Statutes by a seven-member board appointed by the Governor of North Carolina.

B. Basis of Presentation

The financial statements are prepared on the accrual basis of accounting in a manner similar to a private enterprise. The Board elected to apply all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. As permitted by GASB Statement Number 20, the Board elected to apply FASB statements or interpretations issued on or after November 30, 1989, unless specifically adopted by GASB.

As an enterprise fund, the Board is accounted for using the “economic resources” measurement focus. This means that all the assets and liabilities related to its operations are included on its statement of net assets, and its operating statement includes all revenues (increases) and expenses (decreases) in total assets. The principal operating revenues of the Board are fees for licenses. The significant operating expenses include the salaries and benefits, legal and accounting, and rentals and leases.

C. Cash and Cash Equivalents

Cash and cash equivalents include regional office deposited operating funds, imprest funds, and deposits held by the State Treasurer in the State Treasurer’s Short-Term Investment portfolio. The Short-Term Investment portfolio maintained by the State Treasurer has the general characteristics of a demand deposit account in that participants may deposit additional cash at any time and may withdraw cash at any time without prior notice or penalty.

D. State Treasurer’s Securities Lending Collateral

While the Board does not directly engage in securities lending transactions, it deposits certain funds with the State Treasurer’s Short-Term Investment fund which participates in securities lending activities. Based on the State Treasurer’s allocation of these transactions, the Board recognizes its allocable share of the assets and liabilities related to these transactions on the accompanying financial statements as “State Treasurer’s Securities Lending Collateral” and “Obligations Under State Treasurer’s Securities Lending Agreements.” The Board’s allocable share of these assets and liabilities is based on the Board’s year end deposit balance per the State Treasurer’s records.

Based on the authority provided in General Statutes 147-69.3 (e), the State Treasurer lends securities from its investment pools to brokers-dealers and other entities (borrowers) for collateral that will be returned for the same securities in the future. The Treasurer’s securities custodian manages the securities lending program. The Treasurer’s custodian lent U.S. government and agency securities, GNMA’s, corporate bonds and notes for collateral. The Treasurer’s custodian is permitted to receive cash, U.S. government and agency securities, or irrevocable letters of credit as collateral for the securities lent.

NORTH CAROLINA PSYCHOLOGY BOARD
A COMPONENT UNIT OF THE STATE OF NORTH CAROLINA
Notes to the Financial Statements
June 30, 2016

Note 1 - Summary of Significant Accounting Policies (continued):

D. State Treasurer's Securities Lending Collateral (continued)

The collateral is initially pledged at 102 percent of the market value of the securities lent, and additional collateral is required if its value falls to less than 100 percent of the market value of the securities lent. There are no restrictions on the amount of loans that can be made. Substantially all security loans can be terminated on demand by either the State Treasurer or the borrower.

Additional details on the State Treasurer's securities lending program are included in the State of North Carolina's *Comprehensive Annual Financial Report*. An electronic version of this report is available by accessing the North Carolina Office of the State Controller's Internet home page <http://www.osc.nc.gov/> and clicking on "Financial Reports," or by calling the State Controller's Financial Reporting Section at (919) 981-5454.

E. Assets

Capital Assets

Capital assets are defined by the government with an initial, individual cost of more than a certain cost and an estimated useful life more than two years. Minimum capitalization costs are as follows: furniture and equipment, \$5,000. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Furniture and equipment	5

F. Expenses

Compensated Absences

The vacation policy of the Board provides for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. For the Board's government-wide fund, an expense and a liability of compensated absences and the salary-related payments are recorded as the leave is earned. The Board has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The Board's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Board has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

G. Use of Estimates

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

NORTH CAROLINA PSYCHOLOGY BOARD
A COMPONENT UNIT OF THE STATE OF NORTH CAROLINA
Notes to the Financial Statements
June 30, 2016

Note 1 - Summary of Significant Accounting Policies (continued):

H. Net Position/Fund Balances

Net position in proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

Note 2 - Stewardship, Compliance, and Accountability:

A. Material Violations of Finance-Related Legal and Contractual Provisions

Noncompliance with North Carolina General Statutes

There were no instances of noncompliance with North Carolina General Statutes.

Note 3 - Detail Notes on Funds:

A. Assets

Capital Assets

Capital asset activity for the year ended June 30, 2016 was as follows:

	<u>Beginning Balances</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balances</u>
Capital assets being depreciated:				
Furniture and equipment	\$ 20,428	--	--	20,428
Less accumulated depreciation	<20,428>	--	--	<20,428>
	\$ ==--			==--

B. Liabilities

1. Retirement Costs

The four permanent full-time employees of the Board are eligible for participation in the North Carolina Teachers' and State Employees' Retirement System for the year ended June 30, 2016. Participants of that system contribute 6% of their gross wages, while the Board contributes 9.15% in matching contributions. The Board has no pension obligations beyond the employer paid matching contributions already paid into the retirement system. Matching contributions paid by the Board for the year ended June 30, 2016, were \$23,356.

The Teachers' and State Employees' Retirement System's financial information is included in the State of North Carolina's *Comprehensive Annual Financial Report*. An electronic version of this report is available by accessing the North Carolina Office of the State Controller's Internet home page <http://www.osc.nc.gov/> and clicking on "Reports," or by calling the Office of the State Controller's at (919) 707-0753.

NORTH CAROLINA PSYCHOLOGY BOARD
A COMPONENT UNIT OF THE STATE OF NORTH CAROLINA
Notes to the Financial Statements
June 30, 2016

Note 3 - Detail Notes on Funds (continued):

B. Liabilities (continued)

2. Other Post-Employment Benefits

Health Benefits – The Board participates in the Comprehensive Major Medical Plan (the Plan), a cost-sharing, multiple-employer defined benefit health care plan that provides post-employment health insurance to eligible former employees. Eligible former employees include long-term disability beneficiaries of the Disability Income Plan of North Carolina and retirees of the Teachers’ and State Employees’ Retirement System or the Optional Retirement Program. Coverage eligibility varies depending on years of contributory membership service in their retirement system prior to disability or retirement.

The Plan’s benefit and contribution provisions are established by Chapter 135-7, Article 1, and Chapter 135, Article 3, of the General Statutes and may be amended only by the North Carolina General Assembly. The Plan does not provide for automatic post-retirement benefit increases.

By General Statute, a Retiree Health Benefit Fund (the Fund) has been established as a fund in which accumulated contributions from employers and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and applicable beneficiaries. By statute, the Fund is administered by the Board of Trustees of the Teachers’ and State Employees’ Retirement System and contributions to the fund are irrevocable. Also by law, Fund assets are dedicated to providing benefits to retired and disabled employees and applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to the Fund.

Contribution rates to the Fund, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis, are determined by the General Assembly in the Appropriations Bill.

For the current fiscal year, the Board contributed 5.6% of the covered payroll under the Teachers’ and State Employees’ Retirement System and the Optional Retirement Program to the Fund for retiree health care benefits. The Board made 100% of its annual required contributions to the Plan for the year ended June 30, 2016, which was \$14,295. The Board assumes no liability for retiree health care benefits provided by the programs other than its required contribution.

Additional detailed information about these programs can be found in the State of North Carolina’s *Comprehensive Annual Financial Report*. An electronic version of this report is available by accessing the North Carolina Office of the State Controller’s Internet home page <http://www.osc.nc.gov/> and clicking on “Reports,” or by calling the Office of the State Controller’s at (919) 707-0753.

NORTH CAROLINA PSYCHOLOGY BOARD
A COMPONENT UNIT OF THE STATE OF NORTH CAROLINA
Notes to the Financial Statements
June 30, 2016

Note 3 - Detail Notes on Funds (continued):

C. Long Term Obligations

1. Operating Leases

Effective July 12, 2013, the Board renewed the operating lease agreement for a two-year period ending September 30, 2015. The lease payments are \$1,750 per month for an annual sum of \$21,000.

On November 17, 2015, the Board renewed the operating lease agreement for a three-year period beginning on October 1, 2015. The lease payments are \$2,000 per month for an annual sum of \$24,000.

Total future minimum lease payments are as follows:

	Fiscal Year Ending June 30	Operating Lease
Lease payments	2017	\$ 24,000

2. Long Term Obligation Activity

The following is a summary of changes in general long-term obligations for the year ended June 30, 2016:

	Balance July 1, 2015	Additions	Decreases	Balance June 30, 2016
Compensated absences	\$ 45,755	14,841	28,627	31,969

Note 4 - Subsequent Events:

The Board has evaluated all subsequent events for potential recognition and disclosure through June 8, 2017 the date these financial statements were available to be issued.

NORTH CAROLINA PSYCHOLOGY BOARD
A COMPONENT UNIT OF THE STATE OF NORTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION-BUDGET AND ACTUAL-ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Final Budget	Actual Amounts	Variance with Final Budget Positive - (Negative)
OPERATING REVENUES			
Examination & certification fees	\$ 32,030	61,850	29,820
License and renewal fees	665,941	20,020	(645,921)
Sales and services	1,080	1,462	382
Application, registration, and other fees	25,600	30,100	4,500
Per diem collections	3,200	-	(3,200)
Fines, penalties, and assessments	6,500	1,190	(5,310)
TOTAL OPERATING REVENUES	734,351	114,622	(619,729)
NONOPERATING REVENUES			
Investment earnings	10,000	5,984	(4,016)
TOTAL NONOPERATING REVENUES	10,000	5,984	(4,016)
EXPENDITURES			
Salaries and benefits	396,827	327,250	69,577
Administrative services	5,300	30,746	(25,446)
Contracted services	8,500	14,960	(6,460)
Supplies	6,350	4,549	1,801
Travel and subsistence	25,985	13,192	12,793
Legal and accounting fees	93,500	67,301	26,199
Rentals and lease	31,214	25,555	5,659
Utilities and telephone	23,630	11,149	12,481
Other administrative	19,040	14,740	4,300
TOTAL EXPENDITURES	610,346	509,442	100,904
Revenues and other financing sources over (under) expenditures	134,005	(388,836)	(522,841)
Appropriated fund balance	(134,005)	-	134,005
Excess (deficiency) of revenues and appropriated fund balances over expenditures	\$ -	(388,836)	(388,836)
Net Position at beginning of year		975,400	
Net Position at end of year		\$ 586,564	

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