

**NORTH CAROLINA BOARD OF LICENSED PROFESSIONAL COUNSELORS**

**Financial Statements and  
Supplemental Schedule for the  
Year Ended June 30, 2016 and  
Independent Auditor's Report**

# **NORTH CAROLINA BOARD OF LICENSED PROFESSIONAL COUNSELORS**

## **Financial Statements and Supplemental Schedule for the Year Ended June 30, 2016 and Independent Auditor's Report**

### **BOARD MEMBERS (2016)**

Katherine H. Glenn, PhD, LPC, Chairperson

Angela R. McDonald, PhD, LPC, Vice Chairperson

David S. King, PhD, LPC, Secretary-Treasurer

Jennifer N. Bressler, LPC

Reverend George H. Greer, Jr. (Public Member)

Luke Wayne Mixon, Jr. (Public Member)

Gwendolyn K. Newsome, PhD, LPC

### **BOARD ADMINISTRATOR (2016)**

Katrina Brent

### **LEGAL COUNSEL**

North Carolina Department of Justice

# NORTH CAROLINA BOARD OF LICENSED PROFESSIONAL COUNSELORS

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# **NORTH CAROLINA BOARD OF LICENSED PROFESSIONAL COUNSELORS**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of the Board's financial report represents Management's analysis of the Board's financial performance during the year ended June 30, 2016. Please read it in conjunction with the financial statements which follow this section.

### **Financial Highlights**

During 2016, the Board's net position increased by \$317,857, or 318.9%, due primarily to an increase in Board revenues effected by statutory fee increases.

During 2016, the operating revenues of the Board increased by \$228,817, or 40.8%, due to an increase in individual renewal and licensing/application fees effected by statutory fee increases.

During 2016, the non-operating revenues of the Board increased by \$4,527, or 259.3%, due primarily to an increase in deposits and investments on hand.

During 2016, the operating expenses of the Board decreased by \$36,812, or 7.1%, due primarily to a decrease in contracted management service fees.

### **Overview of the Financial Statements**

This financial report consists of two sections: Management's Discussion and Analysis and the Financial Statements. The Board has no other supplementary information required by GASB 34. The Financial Statements also include notes to the financial statements that provide detail of the information included in the financial statements.

### **Basic Financial Statements**

The financial statements of the Board report information about the Board using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about the activities of the Board.

The Statement of Net Position presents the current and long-term portions of assets and liabilities separately.

The Statement of Revenues, Expenses, and Changes in Net Position presents information on how the Board's assets changed as a result of its operations.

The Statement of Cash Flows presents information on how the Board's cash changed as a result of its financial activities.

# NORTH CAROLINA BOARD OF LICENSED PROFESSIONAL COUNSELORS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Condensed Financial Information

The following presents condensed financial information on the operations of the Board:

	Current Year as of and for the year ended June 30, 2016	Current Year as of and for the year ended June 30, 2015
Current assets	\$ 1,001,864	\$ 669,658
Capital assets	4,147	8,885
Other assets	432,905	180,409
Total assets	<u>\$ 1,438,916</u>	<u>\$ 858,952</u>
Current liabilities	\$ 1,021,394	\$ 759,287
Total liabilities	<u>\$ 1,021,394</u>	<u>\$ 759,287</u>
Investment in capital assets	\$ 4,147	\$ 8,885
Unrestricted	413,375	90,780
Total net position	<u>\$ 417,522</u>	<u>\$ 99,665</u>
Operating revenues	\$ 789,737	\$ 560,920
Operating expenses	(478,153)	(514,965)
Operating income	311,584	45,955
Non-operating revenues	6,273	1,746
Change in net position	<u>\$ 317,857</u>	<u>\$ 47,701</u>

### Events Affecting Future Operations

The Board has no significant events affecting future operations which are reportable pursuant to GASB 34.

### Contacting the Board's Management

This financial report is designed to provide a general overview of the Board's finances and to demonstrate the Board's accountability for the money it receives. If you have any questions about this report or need additional information, contact: North Carolina Board of Licensed Professional Counselors, PO Box 77819, Greensboro, NC 27417.

***Shelton L. Hawley, CPA, PA***  
**Certified Public Accountants**

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800 N. Raleigh St.  
P.O. 1545  
Angier, North Carolina 27501-1545

Telephone: (919) 639-4825  
Facsimile: (919) 639-3102

**INDEPENDENT AUDITOR'S REPORT**

Members of the Board  
North Carolina Board of Licensed Professional Counselors  
Greensboro, North Carolina

***Report on the Financial Statements***

We have audited the accompanying financial statements of the North Carolina Board of Licensed Professional Counselors (the "Board"), an independent state agency which is a nonmajor enterprise fund of the primary government of the State of North Carolina, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which comprise the Board's 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 the financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on the 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 judgement, 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

***Opinion***

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

## INDEPENDENT AUDITOR'S REPORT (CONCLUDED)

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis 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 historic 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 supplementary information because the limited procedures do not provide sufficient evidence to express an opinion or provide any assurance thereon.

### *Other Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Receipts and Disbursements - Modified Cash Basis is presented for purposes of additional analysis and is not a required part of the financial statements. We have applied certain limited procedures to the 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 supplementary information because the limited procedures do not provide sufficient evidence to express an opinion or provide any assurance thereon.



Shelton L. Hawley, C.P.A., P.A.

Angier NC

October 7, 2016

**NORTH CAROLINA BOARD OF LICENSED PROFESSIONAL COUNSELORS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

	<b>June 30, 2016</b>
	<b>Proprietary- Enterprise Fund</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents (Note 2)	\$ 1,000,645
Cash in State Treasurer (Note 2)	186
Accrued interest receivable (on money market account)	33
Prepaid expense	1,000
Total current assets	<u>1,001,864</u>
Capital assets (Note 1):	
Office equipment - net of depreciation	4,147
Total capital assets - net of depreciation	<u>4,147</u>
Other assets:	
Investments (Note 2)	\$ 432,042
Accrued interest receivable (on investments)	863
Total other assets	<u>432,905</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>1,438,916</u></b>
<b>LIABILITIES AND NET POSITION</b>	
Current liabilities:	
Accounts payable	\$ 14,079
Due to other state agencies	15,167
Unearned revenue (Note 3)	992,148
Total current liabilities	<u>1,021,394</u>
<b>TOTAL LIABILITIES</b>	<b><u>1,021,394</u></b>
NET POSITION (NOTE 4)	
Investment in capital assets	4,147
Unrestricted net position	413,375
<b>TOTAL NET POSITION</b>	<b><u>417,522</u></b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ <u>1,438,916</u></b>

See notes to financial statements.



**NORTH CAROLINA BOARD OF LICENSED PROFESSIONAL COUNSELORS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
YEAR ENDED JUNE 30, 2016**

	<u>2016</u>	
	<b>Proprietary- Enterprise Fund</b>	
OPERATING REVENUES:		
Individual renewal fees	\$	457,510
Individual licensing/application fees		294,050
Corporate licensing and renewal fees		16,140
Late fees		16,187
Verify fees		910
Other license related fees		1,340
Other revenue		3,600
		<hr/>
Total operating revenues	\$	789,737
OPERATING EXPENSES:		
Dues and subscriptions	\$	3,290
Legal services		60,885
Printing		1,457
Depreciation		4,738
Office supplies		3,006
Service agreements and maintenance - office equipment		2,563
Contracted management services - administrative fees (Note 5)		315,920
Contracted services - auditor		6,495
Contracted services - investigations		13,765
Other contracted services		12,667
Bank charges		94
Credit card discount fees		13,486
Telephone/fax		1,120
Postage		6,957
Board meeting and hearing expenses		1,812

See notes to financial statements.

**NORTH CAROLINA BOARD OF LICENSED PROFESSIONAL COUNSELORS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
YEAR ENDED JUNE 30, 2016**

	<u>2016</u>
	<u>Proprietary- Enterprise Fund</u>
OPERATING EXPENSES (CONTINUED):	
Travel expenses - board members and staff	9,288
Per diem - board members	6,975
Conference registrations - board members and staff (including sponsorship)	3,400
Lodging - board members and staff	6,747
Meals - board members and staff	3,420
Miscellaneous expenses	68
Total operating expenses	<u>\$ 478,153</u>
Operating income (loss)	\$ 311,584
NON-OPERATING REVENUES (EXPENSES):	
Interest income	<u>6,273</u>
Total non-operating revenues	6,273
Change in net position	<u>\$ 317,857</u>
Net position - beginning of year	<u>99,665</u>
Net position - end of year	<u><u>\$ 417,522</u></u>

See notes to financial statements.

**NORTH CAROLINA BOARD OF LICENSED PROFESSIONAL COUNSELORS**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2016**

	<b>2016</b>
	<b>Proprietary- Enterprise Fund</b>
Cash flows from operating activities:	
Cash received from fees and other revenues	\$ 1,048,944
Cash payments for operating expenses	(471,515)
Net cash provided by operating activities	\$ 577,429
Cash flows from investing activities:	
Transfers (to) from investments	\$ (251,633)
Interest on savings	5,377
Net cash provided by investing activities	\$ (246,256)
Net increase in cash	\$ 331,173
Cash - beginning of year	669,658
Cash - end of year	\$ 1,000,831

See notes to financial statements.

**NORTH CAROLINA BOARD OF LICENSED PROFESSIONAL COUNSELORS  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2016**

	<b>2016</b>
	<b>Proprietary- Enterprise Fund</b>
Reconciliation of operating income	
to net cash provided by operating activities:	
Operating income (loss)	\$ 311,584
Adjustments to reconcile operating income	
to net cash provided by operating activities:	
Depreciation	\$ 4,738
Changes in assets and liabilities:	
Prepaid expenses and other assets	(1,000)
Accounts payable	12,959
Unearned revenue	249,148
Total adjustments	\$ 265,845
Net cash provided by operating activities	\$ 577,429

See notes to financial statements.

**NORTH CAROLINA BOARD OF LICENSED PROFESSIONAL COUNSELORS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016**

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Note 1 - Nature of Activities and Significant Accounting Policies

**Description of Organization**

The North Carolina Board of Licensed Professional Counselors (the "Board") is an independent State agency. It is an occupational licensing board and is authorized by Chapter 90 of the North Carolina General Statutes. The Board is composed of seven members who are appointed by the Governor of the State of North Carolina. The Board is a nonmajor enterprise fund of the primary government of the State of North Carolina and is reported as such in the State's Comprehensive Annual Financial Report (CAFR).

The Board is established to maintain minimum standards for services provided by licensed professional counselors.

The Board's operations are financed with self-generated revenues from fees charged to examinees and licensees.

**Basis of Presentation**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting principles and reporting standards.

All activities of the Board are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

**Reporting Entity**

The concept underlying the definition of the financial reporting entity is that elected officials are accountable to their constituents for their actions. As required by accounting principles generally accepted in the United States of America (GAAP), the financial reporting entity includes both the primary government and all of its component units. An organization other than a primary government serves as a nucleus for a reporting entity when it issues separate financial statements. The accompanying financial statements present all funds and activities for which the Board is responsible.

For financial reporting purposes, the Board is a nonmajor enterprise fund of the primary government of the State of North Carolina and is reported as such in the State's Comprehensive Annual Financial Report (CAFR). These financial statements for the Board are separate and apart from those of the State of North Carolina and do not present the financial position of the State nor changes in the State's financial position and cash flows.

**NORTH CAROLINA BOARD OF LICENSED PROFESSIONAL COUNSELORS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016**

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Note 1 - Nature of Activities and Significant Accounting Policies (Continued)

**Basis of Accounting**

In accordance with *Statement of Governmental Accounting Standards 34*, the Board herewith presents a Statement of Net Position; a Statement of Revenues, Expenses, and Changes in Net Position; and a Statement of Cash Flows. These statements reflect entity-wide operations of the Board. The Board has no fiduciary funds or component units.

The Statement of Revenues, Expenses, and Changes in Net Position demonstrate the degree to which the direct expenses of the Board are offset by license fees.

The financial statements report all activities of the North Carolina Board of Licensed Professional Counselors using the economic resource measurement focus and the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recognized when incurred, if measurable, regardless of timing of cash flows.

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the Board. Operating revenues consist primarily of license fees. Operating expenses are all expense transactions incurred other than those related to capital and noncapital financing or investing activities as defined by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*. Non-operating revenues and expenses consist of those revenues and expenses that are related to investing, capital, and non-capital financing activities; and are classified as non-operating in the financial statements.

**Cash and Cash Equivalents**

This classification includes undeposited receipts, petty cash, checking accounts and time deposits (excluding certain certificates of deposit) held by the Board.

**Cash in State Treasurer**

This classification consists of deposits with the State Treasurer of North Carolina.

**Investments**

This classification consists of certain certificates of deposits held by the Board for investment.

**Prepaid Expenses**

This classification includes expenses which were prepaid at year end for legal services.

**Fair Value of Financial Instruments**

The carrying amounts of the Board's financial instruments approximate their fair value.

**NORTH CAROLINA BOARD OF LICENSED PROFESSIONAL COUNSELORS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016**

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Note 1 - Nature of Activities and Significant Accounting Policies (Continued)

**Capital Assets**

Property and equipment are stated at cost and are being depreciated over their useful lives on a straight-line basis. The Board capitalizes assets that have a value or cost of \$500 or greater at the date of acquisition and an estimated useful life of more than one year. Depreciation is computed using the straight-line method of depreciation over the estimated useful lives of the assets, generally estimated as follows: office furniture and equipment, 5 to 7 years. A summary follows:

	Cost 06-30-15	Acquisitions	Disposals	Cost 06-30-16	Accumulated Depreciation	Net Amount
Office equipment	\$ 59,755	\$ -	\$ -	\$ 59,755	\$ 55,608	\$ 4,147
	<u>\$ 59,755</u>	<u>0</u>	<u>0</u>	<u>\$ 59,755</u>	<u>\$ 55,608</u>	<u>\$ 4,147</u>

When an asset is disposed of, the cost of the asset and the related accumulated depreciation are removed from the books. Any gain or loss on disposition is reflected in earnings for the period. Depreciation expense was \$4,738 for the fiscal year ended June 30, 2016.

**Income Taxes**

The Board is a nonmajor enterprise fund of the primary government of the State of North Carolina and is exempt from federal and state income taxes.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 - Deposits and Investments

**Deposits in Bank(s)**

All of the Board's deposits which are uninsured are uncollateralized [unless collateralized pursuant to NC Administrative Code (20 NCAC 7)] by the financial institution holding said deposits. For deposits, custodial credit risk is the risk that in the event of the failure of the depository (or counterparty), the Board will not be able to recover the value of its deposits that are in the possession of the outside party. The Board does not have formal policies regarding custodial credit risk for deposits.

At June 30, 2016, the Board's deposits in banks had a carrying amount (including undeposited receipts) of \$1,432,687 and a bank balance of \$1,349,897, of which \$500,000 was covered by federal depository insurance, and \$849,897 was uninsured and uncollateralized [unless collateralized pursuant to NC Administrative Code (20 NCAC 7), however, the Board is currently working to deposit monies into multiple bank accounts towards the goal of securing additional FDIC coverage. Certificates of deposit in the amount of \$432,042 are considered time deposits for this disclosure and are classified as investments on the Statement of Net Position.

**NORTH CAROLINA BOARD OF LICENSED PROFESSIONAL COUNSELORS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016**

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Note 2 - Deposits and Investments (Continued)

**Deposits in State Treasurer Short Term Investment Fund (STIF)**

Pursuant to North Carolina General Statute 147-69.3(b), the Board voluntarily holds deposits with the North Carolina Short Term Investment Fund (STIF). Disbursements, if used, are through the issuance of warrants by the Board. Investments of the Short Term Investment Fund are limited to those authorized for the State’s General Fund, generally high quality money market investments and US Government/agency securities. FDIC insurance and deposit collateralization rules do not apply.

Deposit and investments risks associated with the State Treasurer’s Investment Pool (which includes the State Treasurer’s Short-Term Investment Fund) are included in the State of North Carolina’s Comprehensive Annual Financial Report. An electronic version of the financial report is available by accessing the North Carolina Office of the State Controller’s internet home page, [www.ncosc.net](http://www.ncosc.net), and clicking on “Financial Reports”, or calling the State Controller’s Financial Reporting Section at (919) 707-0500.

At June 30, 2016, the Board's deposits with the State Treasurer STIF account had a carrying value, fair market value and a bank balance of \$186.

**Investments**

At June 30, 2016, the Board had the following investments and maturities.

<b>Investment Type</b>	<b>Fair Value</b>	<b>3-12 Months</b>	<b>Over 12 Months</b>
Certificate of Deposit	\$ 45,511	\$	\$ 45,511
Certificate of Deposit	45,511		45,511
Certificate of Deposit	45,510		45,510
Certificate of Deposit	45,510		45,510
Certificate of Deposit	50,000		50,000
Certificate of Deposit	50,000		50,000
Certificate of Deposit	50,000		50,000
Certificate of Deposit	50,000		50,000
Certificate of Deposit	50,000		50,000
Total	<u>\$ 432,042</u>	<u>\$ 0</u>	<u>\$ 432,042</u>



**NORTH CAROLINA BOARD OF LICENSED PROFESSIONAL COUNSELORS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2016**

Note 2 - Deposits and Investments (Continued)

**Risk Disclosures**

Interest rate risk - Interest rate risk is the risk the Board may face should interest rate variances affect the fair value of investments. As a means of limiting its exposure to fair value losses arising from interest rate variances, the Board limits its investments, if any, to certificates of deposits with maturities of no more than 36 months and to money market mutual funds.

Credit risk - Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. Investments of the Board are subject to the statutory requirements of North Carolina General Statutes, however the Board's present policy for managing credit risk is to limit its investments to certificates of deposits and money market mutual funds.

Custodial credit risk - For deposits, custodial credit risk is the risk that in the event of the failure of the depository (or counterparty), the Board will not be able to recover the value of its deposits that are in the possession of the outside party. The Board does not have formal policies regarding custodial credit risk for deposits. Federal depository insurance is discussed in the preceding section.

The following table presents fair value of investments by type and investment subject to interest rate risk and credit risk at June 30, 2016, for the Board's investments.

Investment Type	Fair Value	Properties of Debt Securities	
		Weighted Average Maturities	Ratings
Securities:			
Certificates of Deposit	\$ 432,042	21.5 Months	N/A

**Reconciliation of Deposits and Investments**

A reconciliation of deposits and investments for the Board to the basic financial statements at June 30, 2016 is as follows:

	<b>June 30, 2016</b>	
Carrying Amount of Bank Deposits	\$	1,000,645
Cash in State Treasurer		186
Certificates of Deposits		432,042
Total Deposits and Investments	\$	<u>1,432,873</u>
Current:		
Cash and Cash Equivalents	\$	1,000,645
Cash in State Treasurer		186
Noncurrent:		
Investments		432,042
Total Deposits and Investments	\$	<u>1,432,873</u>

**NORTH CAROLINA BOARD OF LICENSED PROFESSIONAL COUNSELORS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016**

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Note 3 - Unearned Revenue

The Board's fees are assessed and collected on both an annual and a biennial basis, some of which correspond with the Board's accounting period and some of which correspond with the calendar year. License renewal fees received in the latter part of the fiscal year are unearned and recognized as revenue over the periods to which they relate. This reporting method reasonably reports revenues as earned.

Note 4 - Net Position

Investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any loan proceeds that are attributable to the acquisition, construction, or improvement of those capital assets.

Restricted net position - This component of net position consists of net position which the Board is legally or contractually obligated to spend in accordance with restrictions imposed by external parties. The Board had no restricted net position.

Unrestricted net position - This component of net position consists of net position that does not meet the definition of *restricted or investment in capital assets*.

Note 5 - Contracted Management Services

The Board does not have employees. The Board contracted with a management service to provide services for the Board. The contracts included all services related to the process of licensure application and renewal and various other clerical duties. The Board also reimbursed the management services for additional contract labor, printing, copying, postage and miscellaneous office supplies and expenses. Payments to the management services totaled \$328,440 during the fiscal year ended June 30, 2016.

Note 6 - Risk Management

The Board is exposed to various risks of loss related to torts; theft of, damage to, and the destruction of assets; errors and omissions; injuries to employees (if applicable); and natural disasters. These exposures to loss are handled by participation in certain state-administered risk programs and self retention of certain risks. The Board has not purchased any commercial insurance coverage.

Note 7 - Contingencies

The Board is involved in occasional disciplinary hearings throughout the year which arise in the ordinary course of its operations. In the opinion of management of the Board, the results of such actions during the year under audit do not materially affect the Board's operations, changes in financial position, or cash flows for the year herein ended.

Note 8 - Subsequent Events

Subsequent events have been evaluated through October 7, 2016, the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

Note 9 - North Carolina Legislative Statutory Disclosure Requirement Concerning Audit Fees

This audit required 70 audit hours at a cost of \$6,795.

**NORTH CAROLINA BOARD OF LICENSED PROFESSIONAL COUNSELORS  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS - MODIFIED CASH BASIS  
YEAR ENDED JUNE 30, 2016**

	<b>2016</b>	
	<b>Proprietary- Enterprise Fund</b>	
<b>RECEIPTS:</b>		
Individual renewal fees	\$	717,722
Individual licensing/application fees		294,050
Corporate licensing and renewal fees		15,135
Late fees		16,187
Verify fees		910
Other license related fees		1,340
Interest income		5,377
Other income		3,600
		<hr/>
Total receipts	\$	1,054,321
<b>DISBURSEMENTS:</b>		
Dues and subscriptions	\$	3,258
Legal services		59,682
Printing		2,557
Office supplies		2,214
Service agreements and maintenance - office equipment		2,300
Contracted management services - administrative fees		315,920
Contracted services - auditor		6,495
Contracted services - investigations		10,743
Other contracted services		13,666
Bank charges		94
Credit card discount fees		12,415

See auditor's report on supplementary information.

**NORTH CAROLINA BOARD OF LICENSED PROFESSIONAL COUNSELORS  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS - MODIFIED CASH BASIS  
YEAR ENDED JUNE 30, 2016**

	<u>2016</u>
	<u>Proprietary- Enterprise Fund</u>
DISBURSEMENTS (CONTINUED):	
Telephone/fax	928
Postage	5,206
Board meeting and hearing expenses	2,307
Travel expenses - board members and staff	9,121
Per diem - board members	6,325
Conference registrations - board members and staff (including sponsorship)	3,400
Lodging - board members and staff	7,192
Meals - board members and staff	3,573
SBI fees paid out (less SBI fees collected)	4,104
Miscellaneous expenses	15
Total disbursements	<u>\$ 471,515</u>
Receipts over (under) disbursements	\$ 582,806
Change in cash	<u>\$ 582,806</u>
Cash and investments - beginning of year	<u>850,067</u>
Cash and investments - end of year	<u>\$ 1,432,873</u>

See auditor's report on supplementary information.