



NORTH CAROLINA BOARD  
of LICENSED PROFESSIONAL  
COUNSELORS

P.O. Box 77819  
Greensboro, NC 27417  
TELEPHONE: 844-622-3572  
FAX: 336-217-9450  
<http://www.ncblpc.org>

October 30, 2014

The Honorable Pat McCrory, Governor  
The State of North Carolina  
State Capitol  
Raleigh, NC 27603-8001

Secretary of State's Office  
Publications Division  
PO Box 29622  
Raleigh, NC 27626-0622

Dear Governor McCrory:

In keeping with North Carolina General Statute § 93B-2, the North Carolina Board of Licensed Professional Counselors submits the attached annual report. This report covers the activities of the Board during the period from July 1, 2013 through June 30, 2014. All financial reporting will be submitted by the Boards Certified Public Accountant. However, we have enclosed a copy of the financial reporting to ensure timely receipt. If you have questions regarding any part of the report, or if you wish further elaboration on the Board's activities, please do not hesitate to contact our office.

Respectfully submitted,

Katherine H. Glenn, LPCS  
Chair

Gwendolyn K. Newsome, LPCS  
Vice-Chair and Ethics Chair

David S. King, LPCS  
Treasurer

Angela R. McDonald, LPCS  
Educational Reviewer

Jennifer N. Bressler, LPC

Arthur F. Costantini, Public Member

The Reverend George H. Greer, Public Member

cc: Elaine F. Marshall, Secretary of State  
Roy Cooper, Attorney General  
Joint Legislative Administrative Procedure Oversight Committee  
Donald Crooke, Office of State Budget and Management  
Beth Wood, State Auditor  
Linda Combs, State Controller

## BOARD INFORMATION FOR 2013 - 2014

1. Address of Board and names of its members and officers:

NC Board of Licensed Professional Counselors  
PO Box 1369  
111 West Main Street Suite 100  
Garner, NC 27529

Phone: (919)661-0820  
Fax: (919)779-5642  
Web Site: [www.ncblpc.org](http://www.ncblpc.org)  
E-mail: [ncblpc@mgmt4u.com](mailto:ncblpc@mgmt4u.com)

Denauvo M. Robinson, LPC, Chair  
Christine J. Greene, LPC, Vice-Chair  
Gwendolyn K. Newsome, LPC, Ethics Chair  
Samuel T. Gladding, LPC, Educational Reviewer  
Katherine H. Glenn, LPC  
Laura T. Jamerson, Public Member, Treasurer  
Arthur F. Costantini, Public Member

Please note the change in Board members after June 30, 2014:

Katherine H. Glenn, LPCS, Chair  
Gwendolyn K. Newsome, LPC, Vice-Chair and Ethics Chair  
David S. King, LPCS, Treasurer  
Angela R. McDonald, LPCS, Educational Reviewer  
Jennifer N. Bressler, LPC  
Arthur F. Costantini, Public Member  
The Reverend George H. Greer, Public Member

Please note that the Board's address changed effective July 14, 2014:

NC Board of Licensed Professional Counselors  
PO Box 77819  
Greensboro, NC 27417  
7D Terrace Way  
Greensboro, NC 27403

Phone: (336)217-6007 / (844)622-3572  
Fax: (336)217-9450  
Web Site: [www.ncblpc.org](http://www.ncblpc.org)  
E-mail: [LPCInfo@ncblpc.org](mailto:LPCInfo@ncblpc.org)

2. The number of persons who applied to the board for examination: N/A\*
3. The number who were refused examination: N/A\*
4. The number who took the examination: 493\*
- \* Per 21 NCAC 53 .0305, one of the requirements for licensure is that applicants shall take and pass one of the following examinations: the National Counselor Examination (NCE), the National Clinical Mental Health Counselor Examination (NCMHCE), the Certified Rehabilitation Counselor Examination (CRC), or another examination administered by other state counselor licensing boards and professional counselor credentialing associations if the Board determines that such examinations are equivalent to the NCE, NCMHCE, or CRC. Since the examinations are administered by external sources, the Board does not require applicants to apply to the board for examination and does not refuse examination. Based on licensure application data from 2013-2014, 493 examinations were completed.
5. The number to whom initial licenses were issued: 1,128
6. The number who applied for license by reciprocity or comity: 35
7. The number who were granted licenses by reciprocity or comity: 33\*\*
- \*\* 2 applicants did not meet the endorsement requirements, but were granted licensure through the standard application process

## BOARD INFORMATION FOR 2013 - 2014

7a. The number of official complaints received involving licensed and unlicensed activities:	51
7b. The number of disciplinary actions taken against licensees, or other actions taken against non-licensees, including injunctive relief:	4
8. The number of licenses suspended or revoked:	2
9. The number of licenses terminated for any reason other than failure to pay the required renewal fee: *** 2 licensees voluntarily retired from the profession	2***
10. The substance of any anticipated request by the occupational licensing board to the General Assembly to amend statutes related to the occupational licensing board.	N/A
11. The substance of any anticipated change in rules adopted by the occupational licensing board or the substance of any anticipated adoption of new rules by the occupational licensing board.	N/A

**NORTH CAROLINA BOARD OF LICENSED PROFESSIONAL COUNSELORS**

**Financial Statements and  
Supplemental Schedule for the  
Year Ended June 30, 2014 and  
Independent Auditor's Report**

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

## **Financial Statements and Supplemental Schedule for the Year Ended June 30, 2014 and Independent Auditor's Report**

### **BOARD MEMBERS (2014)**

Denauvo Robinson, EdD, LPC, Chairperson

Christine Greene, LPC, Vice Chairperson and Secretary-Treasurer

Arthur F. Costantini, PhD (Public Member)

Samuel T. Gladding, PhD, LPC

Katherine H. Glenn, PhD, LPC

Gwendolyn Newsome, PhD, LPC

Vacant Public Member

### **BOARD ADMINISTRATOR (2014)**

Beth Holder

### **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, 2014. Please read it in conjunction with the financial statements which follow this section.

### **Financial Highlights**

During 2014, the Board's net position decreased by \$35,666, or 40.7%, due primarily to annually recurring expenses in excess of revenues.

During 2014, the operating revenues of the Board increased by \$42,883, or 11.0%, due primarily to an increase in individual renewal and licensing/application fees.

During 2014, the non-operating revenues of the Board increased by \$266, or 15.9%, due primarily to an increase in interest earnings rates.

During 2014, the operating expenses of the Board decreased by \$22,075, or 4.5%, due primarily to a decrease in website, depreciation, and board members and staff expenses.

### **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 supplementary information required by Governmental Accounting Standards Board (GASB) Statement No. 34, however, the Board has included supplementary financial information for its own management purposes. 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, 2014	Current Year as of and for the year ended June 30, 2013
Current assets	\$ 493,988	\$ 474,419
Capital assets	14,653	19,679
Total assets	<u>\$ 508,641</u>	<u>\$ 494,098</u>
Current liabilities	\$ 456,677	\$ 406,468
Total liabilities	<u>\$ 456,677</u>	<u>\$ 406,468</u>
Investment in capital assets	\$ 14,653	\$ 19,679
Unrestricted	37,311	67,951
Total net position	<u>\$ 51,964</u>	<u>\$ 87,630</u>
Operating revenues	\$ 431,006	\$ 388,123
Operating expenses	(468,611)	(490,686)
Operating income	(37,605)	(102,563)
Non-operating revenues	1,939	1,673
Change in net position	<u>\$ (35,666)</u>	<u>\$ (100,890)</u>

### Events Affecting Future Operations

The Board has indicated it 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 Accountant**

Suite B1  
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***

I have audited the accompanying financial statements and the related notes to the financial statements as listed in the table of contents of the North Carolina Board of Licensed Professional Counselors (the "Board"), a nonmajor enterprise fund of the primary government of the State of North Carolina, as of June 30, 2014.

***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***

My responsibility is to express an opinion on these financial statements based on the audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 auditor considers internal control relevant to the entity's preparation of 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

***Opinion***

In my 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, 2014, 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. I 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 I obtained during my audits of the basic financial statements. I 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 Supplemental Information*

My 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. I 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. I 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

August 20, 2014

**NORTH CAROLINA BOARD OF LICENSED PROFESSIONAL COUNSELORS**  
**STATEMENT OF NET POSITION**  
**YEAR ENDED JUNE 30, 2014**

	<b>June 30, 2014</b>
	<b>Proprietary- Enterprise Fund</b>
<b>ASSETS</b>	
Current assets:	
Cash in banks (Note 2)	\$ 444,582
Cash in State Treasurer (Note 2)	183
Prepaid expenses (Note 1)	49,223
Total current assets	493,988
Capital assets (Note 1):	
Office equipment	14,653
Total capital assets - net of depreciation	14,653
<b>TOTAL ASSETS</b>	<b>\$ 508,641</b>
<b>LIABILITIES AND NET POSITION</b>	
Current liabilities:	
Accounts payable	\$ 7,065
Due to other state agencies	10,112
Unearned revenue (Note 3)	439,500
Total current liabilities	456,677
<b>TOTAL LIABILITIES</b>	<b>456,677</b>
<b>NET POSITION (NOTE 4)</b>	
Investment in capital assets	14,653
Unrestricted net position	37,311
<b>TOTAL NET POSITION</b>	<b>51,964</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 508,641</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, 2014**

		<b>2014</b>
		<b>Proprietary- Enterprise Fund</b>
<b>OPERATING REVENUES:</b>		
Individual renewal fees	\$	254,200
Individual licensing/application fees		145,900
Corporate licensing and renewal fees		16,575
Late fees		8,450
Verify fees		1,125
Other license related fees		1,575
Other revenue		3,181
Total operating revenues	\$	431,006
<b>OPERATING EXPENSES:</b>		
Dues and subscriptions	\$	1,350
Website expenses		5,920
Legal services		44,825
Printing		288
Depreciation		5,026
Office supplies		1,913
Service agreements and maintenance - office equipment		5,872
Contracted management services - administrative fees (Note 5)		332,758
Contracted services - auditor		5,390
Contracted services - computer support services		476
Other contracted services		9,753
Bank charges		152
Credit card discount fees		3,478
Telephone/fax		1,866
Postage		9,518
Board meeting and hearing expenses		4,027

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, 2014**

	<u>2014</u>
	<u>Proprietary- Enterprise Fund</u>
OPERATING EXPENSES (CONTINUED):	
Travel expenses - board members and staff	9,677
Per diem - board members	13,387
Conference registrations - board members and staff (including sponsorship)	2,725
Lodging - board members and staff	7,425
Meals - board members and staff	2,785
Total operating expenses	<u>\$ 468,611</u>
Operating income (loss)	\$ (37,605)
NON-OPERATING REVENUES (EXPENSES):	
Interest income	<u>\$ 1,939</u>
Total non-operating revenues	1,939
Change in net position	<u>\$ (35,666)</u>
Net position - beginning of year	<u>87,630</u>
Net position - end of year	<u><u>\$ 51,964</u></u>

See notes to financial statements.

**NORTH CAROLINA BOARD OF LICENSED PROFESSIONAL COUNSELORS**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2014**

	<b>2014</b>
	<b>Proprietary- Enterprise Fund</b>
Cash flows from operating activities:	
Cash received from fees and other revenues	\$ 471,806
Cash payments for operating expenses	(476,795)
Net cash provided by operating activities	\$ (4,989)
Cash flows from investing activities:	
Transfers (to) from investments	\$ 202,229
Interest on savings	263
Net cash provided by investing activities	\$ 202,492
Net increase in cash	\$ 197,503
Cash - beginning of year	247,262
Cash - end of year	\$ 444,765
Reconciliation of operating income	
to net cash provided by operating activities:	
Operating income (loss)	\$ (37,605)
Adjustments to reconcile operating income	
to net cash provided by operating activities:	
Depreciation	\$ 5,026
Changes in assets and liabilities:	
Prepaid expenses and other assets	(22,619)
Accounts payable	9,409
Unearned revenue	40,800
Total adjustments	\$ 32,616
Net cash provided by operating activities	\$ (4,989)

See notes to financial statements.

**NORTH CAROLINA BOARD OF LICENSED PROFESSIONAL COUNSELORS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2014**

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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 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 composed of seven members who are appointed by the Governor of the State of North Carolina.

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. The Board applied all applicable Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989.

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, 2014**

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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 current financial 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.

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. Non-operating revenues and expenses consist of those revenues and expenses that are related to investing activities and are classified as non-operating in the financial statements.

**Cash in Banks**

This classification includes undeposited receipts, petty cash, checking accounts and time deposits (excluding 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 certificates of deposits held by the Board for investment. The Board converted all of its certificates of deposit to cash in bank during the fiscal year ended June 30, 2014.

**Fair Value of Financial Instruments**

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

**Prepaid Expenses**

This classification includes prepaid management services.



**NORTH CAROLINA BOARD OF LICENSED PROFESSIONAL COUNSELORS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2014**

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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. A summary follows:

	Cost 06-30-13	Acquisitions	Disposals	Cost 06-30-14	Accumulated Depreciation	Net Amount
Office equipment	\$ 63,892	\$ -	\$ -	\$ 63,892	\$ 49,239	\$ 14,653
	<u>\$ 63,892</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,892</u>	<u>\$ 49,239</u>	<u>\$ 14,653</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.

**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 Banks**

The Board's deposits which are uninsured are voluntarily collateralized by the financial institution holding said deposits. This voluntarily collateralization is not required by North Carolina General Statutes, and the enforceability of this collateralization is a matter of legal interpretation. 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 policies regarding custodial credit risk for deposits.

At June 30, 2014, the Board's deposits in banks had a carrying amount (including undeposited receipts) of \$444,765 and a bank balance of \$475,847, of which \$250,000 was covered by federal depository insurance, and \$225,847 was uninsured and uncollateralized.

**NORTH CAROLINA BOARD OF LICENSED PROFESSIONAL COUNSELORS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2014**

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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, 2014, the Board's deposits with the State Treasurer STIF account had a carrying value, fair market value and a bank balance of \$183.

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 (when reasonably calculable) 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*.

**NORTH CAROLINA BOARD OF LICENSED PROFESSIONAL COUNSELORS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2014**

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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 contract included all services related to the process of licensure application and renewal and various other clerical duties. The Board also reimbursed the management service for additional contract labor, printing, copying, postage and miscellaneous office supplies and expenses. Payments to the management service totaled \$344,830 during the fiscal year ended June 30, 2014. The Board changed to a different management service effective July 1, 2014.

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 August 20, 2014, 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.

**NORTH CAROLINA BOARD OF LICENSED PROFESSIONAL COUNSELORS**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS - MODIFIED CASH BASIS**  
**YEAR ENDED JUNE 30, 2014**

		<b>2014</b>
		<b>Proprietary- Enterprise Fund</b>
<b>RECEIPTS:</b>		
Individual renewal fees	\$	294,200
Individual licensing/application fees		145,900
Corporate licensing and renewal fees		17,275
Late fees		8,450
Verify fees		1,125
Other license related fees		1,575
SBI fees collected (less SBI fees paid out)		6,460
Interest income		2,317
Other income		3,181
Total receipts	\$	480,483
<b>DISBURSEMENTS:</b>		
Dues and subscriptions	\$	1,350
Website expenses		7,842
Legal services		44,255
Printing		258
Office supplies		1,858
Service agreements and maintenance - office equipment		5,872
Contracted management services - administrative fees		351,643
Contracted services - auditor		5,390
Contracted services - computer support services		476
Other contracted services - miscellaneous		10,033
Bank charges		152
Credit card discount fees		3,168

**NORTH CAROLINA BOARD OF LICENSED PROFESSIONAL COUNSELORS**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS - MODIFIED CASH BASIS**  
**YEAR ENDED JUNE 30, 2014**

	<b>2014</b>
	<b>Proprietary- Enterprise Fund</b>
DISBURSEMENTS (CONTINUED):	
Telephone/fax	1,926
Postage	8,406
Board meeting and hearing expenses	4,027
Travel expenses - board members and staff	9,677
Per diem - board members	13,387
Conference registrations - board members and staff (including sponsorship)	3,225
Lodging - board members and staff	7,425
Meals - board members and staff	2,785
Total disbursements	<u>\$ 483,155</u>
Receipts in excess of disbursements	\$ (2,672)
Change in cash	<u>\$ (2,672)</u>
Cash and investments - beginning of year	<u>447,437</u>
Cash and investments - end of year	<u><u>\$ 444,765</u></u>

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This audit required 75 audit hours at a cost of \$6,950.