

NORTH CAROLINA MARRIAGE AND FAMILY THERAPY LICENSURE BOARD

**Financial Statements and
Supplemental Schedules for the
Years Ended June 30, 2021 and 2020 and
Independent Auditor's Report**

NORTH CAROLINA MARRIAGE AND FAMILY THERAPY LICENSURE BOARD

Financial Statements and Supplemental Schedules for the Years Ended June 30, 2021 and 2020 and Independent Auditor's Report

BOARD MEMBERS (2020-2021)

Sandra Vander Linde, LMFT, Chairperson

Dr. Stacey Kolomer, Vice-Chairperson/Treasurer

Connie Harris, Secretary

Kelly McKinnon

Sandy Perry, LMFT

Heather Stehberger, LMFT

Dr. Jon Winek, LMFT

EXECUTIVE OFFICER

Paola Learoyd, Executive Director

LEGAL COUNSEL

Ruby W. Bullard, Attorney At Law

NORTH CAROLINA MARRIAGE AND FAMILY THERAPY LICENSURE BOARD

TABLE OF CONTENTS

	<u>Page</u>
MANAGEMENT’S DISCUSSION AND ANALYSIS	1 - 4
INDEPENDENT AUDITOR’S REPORT	5 - 6
FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2021 AND 2020	
Statements of Net Position	7
Statements of Revenues, Expenses and Changes in Net Position	8 - 9
Statements of Cash Flows	10
Notes to Financial Statements	11 - 15
SUPPLEMENTAL INFORMATION YEARS ENDED JUNE 30, 2021 AND 2020	
Schedules of Receipts and Disbursements - Modified Cash Basis	16

NORTH CAROLINA MARRIAGE AND FAMILY THERAPY LICENSURE BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

This section of the Board's financial report represents Management's analysis of the Board's financial performance during the years ended June 30, 2021 and 2020. Please read it in conjunction with the financial statements which follow this section.

Financial Highlights

During 2021, the Board's net position increased by \$31,331, or 33.63%, due primarily to revenues exceeding expenses. During 2020, the Board's net position decreased by \$5,774, or 5.84%, due primarily to a recent recurrence of expenses in excess of revenues and an increase in expenses.

During 2021, the operating revenues of the Board increased by \$26,950, or 18.23%, due primarily to an increase in license fees and exam fees. During 2020, the operating revenues of the Board increased by \$8,050, or 5.76%, due primarily to an increase in license fees and reinstatement fees.

During 2021, the non-operating revenues of the Board decreased by \$85, or 84.16%, due to a decrease in interest earnings rates. During 2020, the non-operating revenues of the Board decreased by \$46, or 31.29%, due to a decrease in cash on hand and a decrease in interest earnings rates.

During 2021, the operating expenses of the Board decreased by \$10,240, or 6.66%, due primarily to a decrease in contract investigative services. During 2020, the operating expenses of the Board increased by \$9,313, or 6.45%, due primarily to an increase in rent expense and contract investigative services.

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 the Governmental Accounting Standards Board (GASB). The Financial Statements also include notes to the financial statements that provide detail of the information included in the 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 Statements of Net Position present the current and long-term portions of assets and liabilities separately.

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

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

NORTH CAROLINA MARRIAGE AND FAMILY THERAPY LICENSURE BOARD
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, 2021	Prior Year as of and for the year ended June 30, 2020
Current assets	\$ 234,867	\$ 167,473
Capital assets	724	1,142
Total assets	<u>\$ 235,591</u>	<u>\$ 168,615</u>
Current liabilities	\$ (111,095)	\$ (75,450)
Total liabilities	<u>\$ (111,095)</u>	<u>\$ (75,450)</u>
Investment in capital assets	\$ 724	\$ 1,142
Unrestricted	123,772	92,023
Total net position	<u>\$ 124,496</u>	<u>\$ 93,165</u>
Operating revenues	\$ 174,775	\$ 147,825
Operating expenses	<u>(143,460)</u>	<u>(153,700)</u>
Operating income	31,315	(5,875)
Non-operating revenues	16	101
Change in net position	<u>\$ 31,331</u>	<u>\$ (5,774)</u>

NORTH CAROLINA MARRIAGE AND FAMILY THERAPY LICENSURE BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis

Net position is an indicator of the fiscal health of the Board. Assets exceeded liabilities by \$124,496 for the year ended June 30, 2021. The largest component of net position was cash and cash equivalents. Cash and cash equivalents represented 186.77% of total net position. Current assets consist of cash and prepaid expenses. Noncurrent assets consist of capital assets (net of accumulated depreciation). Capital assets are not a significant component of assets and are denoted below in the comparative summary of the Statements of Net Position. Current liabilities consist of accounts payable and unearned revenue. The Board has no long-term liabilities. Net position consists of net assets invested in capital assets and unrestricted net assets. Net investment in capital assets is a component of net position and consists of capital assets net of depreciation. The following is a summary of the Statements of Net Position.

	Current Year as of June 30, 2021	Prior Year as of June 30, 2020	Amount of Change	Percentage Change
Current assets	\$ 234,867	\$ 167,473	\$ 67,394	40.24%
Capital assets	724	1,142	(418)	-36.60%
Total assets	<u>\$ 235,591</u>	<u>\$ 168,615</u>	<u>\$ 66,976</u>	<u>39.72%</u>
Current liabilities	\$ (111,095)	\$ (75,450)	\$ (35,645)	47.24%
Total liabilities	<u>\$ (111,095)</u>	<u>\$ (75,450)</u>	<u>\$ (35,645)</u>	<u>47.24%</u>
Invested in capital assets	\$ 724	\$ 1,142	\$ (418)	-36.60%
Unrestricted	123,772	92,023	31,749	34.50%
Total net position	<u>\$ 124,496</u>	<u>\$ 93,165</u>	<u>\$ 31,331</u>	<u>33.63%</u>

The following is a summary of the Statements of Revenues, Expenses, and Changes in Net Position. Further discussion of this is included in the preceding section entitled "Financial Highlights."

	The year ended June 30, 2021	The year ended June 30, 2020	Amount of Change	Percentage Change
Operating revenues	\$ 174,775	\$ 147,825	\$ 26,950	18.23%
Operating expenses	(143,460)	(153,700)	10,240	-6.66%
Non-operating revenues	16	101	(85)	-84.16%
Change in net position	<u>\$ 31,331</u>	<u>\$ (5,774)</u>	<u>\$ 37,105</u>	<u>-642.62%</u>
Ending net position	<u>\$ 124,496</u>	<u>\$ 93,165</u>	<u>\$ 31,331</u>	<u>33.63%</u>

NORTH CAROLINA MARRIAGE AND FAMILY THERAPY LICENSURE BOARD

MANAGEMENT’S DISCUSSION AND ANALYSIS

The following is a breakdown of operating revenues by source. Further discussion of this is included in the preceding section entitled “Financial Highlights.”

	The year ended June 30, 2021	The year ended June 30, 2020	Amount of Change	Percentage Change
Application and exam fees	\$ 43,550	\$ 36,550	\$ 7,000	19.15%
Renewals and license fees	129,625	108,675	20,950	19.28%
Miscellaneous operating income	1,600	2,600	(1,000)	-38.46%
Total	\$ 174,775	\$ 147,825	\$ 26,950	18.23%

The following is a breakdown of non-operating revenues by source. Further discussion of this is included in the preceding section entitled “Financial Highlights.”

	The year ended June 30, 2021	The year ended June 30, 2020	Amount of Change	Percentage Change
Interest income	\$ 16	\$ 101	\$ (85)	-84.16%
Total	\$ 16	\$ 101	\$ (85)	-84.16%

Events Affecting Future Operations

The Board is not aware of any significant events that may affect future operations of the Board which are reportable pursuant to GASB reporting requirements, except as follows. The Board anticipates that revenues and expenses of the Board in the upcoming year will be comparable to preceeding years.

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 Marriage and Family Therapy Licensure Board, PO Box 10912, Raleigh, NC 27605.

Hawley, C.P.A., P.A.
Certified Public Accountant

Suite B1
800 N. Raleigh St.
P.O. Box 1545
Angier, North Carolina 27501-1545

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

INDEPENDENT AUDITOR'S REPORT

Members of the Board
North Carolina Marriage and Family Therapy Licensure Board
Raleigh, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the North Carolina Marriage and Family Therapy Licensure Board (the "Board"), an independent state board which is a nonmajor enterprise fund of the primary government of the State of North Carolina, as of and for the years ended June 30, 2021 and 2020 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 our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 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 Marriage and Family Therapy Licensure Board as of June 30, 2021 and 2020, and the results of its operations, changes in financial position, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

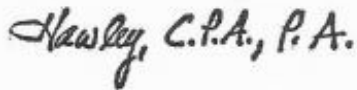
INDEPENDENT AUDITOR'S REPORT (CONCLUDED)

Other Matters - 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 audits 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 audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Receipts and Disbursements - Modified Cash Basis are presented for purposes of additional analysis and are 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 audits 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.



Hawley, C.P.A., P.A.

Angier NC

October 27, 2021

NORTH CAROLINA MARRIAGE AND FAMILY THERAPY LICENSURE BOARD
STATEMENTS OF NET POSITION
JUNE 30, 2021 AND 2020

	June 30, 2021	June 30, 2020
	Proprietary- Enterprise Fund	Proprietary- Enterprise Fund
ASSETS		
Current assets:		
Cash and cash equivalents (Notes 1 and 2)	\$ 232,515	\$ 166,423
Prepaid expenses (Note 1)	<u>2,352</u>	<u>1,050</u>
Total current assets	234,867	167,473
Capital assets (Notes 1 and 3):		
Furniture and office equipment	<u>724</u>	<u>1,142</u>
Total capital assets - net of depreciation	<u>724</u>	<u>1,142</u>
TOTAL ASSETS	<u><u>\$ 235,591</u></u>	<u><u>\$ 168,615</u></u>
LIABILITIES AND NET POSITION		
Current liabilities:		
Accounts payable (Note 4)	\$ 5,195	\$ 2,925
Unearned revenue (Note 1)	<u>105,900</u>	<u>72,525</u>
Total current liabilities	111,095	75,450
TOTAL LIABILITIES	<u><u>111,095</u></u>	<u><u>75,450</u></u>
NET POSITION (NOTE 1)		
Investment in capital assets	724	1,142
Unrestricted net position	<u>123,772</u>	<u>92,023</u>
TOTAL NET POSITION	<u><u>124,496</u></u>	<u><u>93,165</u></u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 235,591</u></u>	<u><u>\$ 168,615</u></u>

See notes to financial statements.

NORTH CAROLINA MARRIAGE AND FAMILY THERAPY LICENSURE BOARD
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
	<u>Proprietary- Enterprise Fund</u>	<u>Proprietary- Enterprise Fund</u>
OPERATING REVENUES:		
Fees, licenses and fines:		
Application and exam fees	\$ 43,550	\$ 36,550
Renewals and license fees	129,625	108,675
Miscellaneous operating income	<u>1,600</u>	<u>2,600</u>
Total operating revenues	\$ 174,775	\$ 147,825
OPERATING EXPENSES:		
Personal services (and board members expenses):		
Board members expenses (including special meeting expenses)	\$ 2,265	\$ 14,528
Supplies and materials:		
Office supplies and expenses	921	1,594
Services:		
Contractual management services (Note 5)	70,205	68,000
Legal fees	25,757	24,481
Audit and accounting fees	8,995	8,995
Internet costs	1,261	1,259
Website and related expenses	9,501	4,455
Data processing services	7,152	
Travel - contractual management service		300
Printing and copying		2,034
Postage	403	1,485
Telephone	966	1,047
Bank charges	153	141
Deposit processing fees	6,953	3,276
Contracted services (administrative)		
Contracted services (investigative)	522	12,634
Maintenance and repairs - office equipment	140	225
Depreciation	418	418

See notes to financial statements.

NORTH CAROLINA MARRIAGE AND FAMILY THERAPY LICENSURE BOARD
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
	<u>Proprietary- Enterprise Fund</u>	<u>Proprietary- Enterprise Fund</u>
OPERATING EXPENSES (CONTINUED):		
Other expenses:		
Office rent (Note 6)	5,500	6,600
Storage space rental	1,848	1,728
Dues	500	500
Total operating expenses	<u>\$ 143,460</u>	<u>\$ 153,700</u>
Operating income (loss)	31,315	(5,875)
NON-OPERATING REVENUES (EXPENSES):		
Interest income	<u>\$ 16</u>	<u>\$ 101</u>
Total non-operating revenues	\$ 16	\$ 101
Change in net position	<u>\$ 31,331</u>	<u>\$ (5,774)</u>
Net position - beginning of year	<u>93,165</u>	<u>98,939</u>
Net position - end of year	<u><u>\$ 124,496</u></u>	<u><u>\$ 93,165</u></u>

See notes to financial statements.

NORTH CAROLINA MARRIAGE AND FAMILY THERAPY LICENSURE BOARD
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
	Proprietary- Enterprise Fund	Proprietary- Enterprise Fund
Cash flows from operating activities:		
Cash received from fees and other operating income	\$ 208,150	\$ 124,300
Cash payments for operating expenses	(142,074)	(159,656)
Net cash provided (used) by operating activities	<u>\$ 66,076</u>	<u>\$ (35,356)</u>
Cash flows from investing activities:		
Interest earned	\$ 16	\$ 101
Net cash provided by investing activities	<u>\$ 16</u>	<u>\$ 101</u>
Net increase (decrease) in cash	<u>66,092</u>	<u>(35,255)</u>
Cash - beginning of year	<u>166,423</u>	<u>201,678</u>
Cash - end of year	<u><u>\$ 232,515</u></u>	<u><u>\$ 166,423</u></u>
Reconciliation of operating income		
to net cash provided by operating activities:		
Operating income (loss)	<u>\$ 31,315</u>	<u>\$ (5,875)</u>
Adjustments to reconcile operating income (loss)		
to net cash provided (used) by operating activities:		
Depreciation	\$ 418	\$ 418
Changes in assets and liabilities:		
Prepaid expense	(1,302)	
Accounts payable	2,270	(6,374)
Unearned revenue	33,375	(23,525)
Total adjustments	<u>\$ 34,761</u>	<u>\$ (29,481)</u>
Net cash provided by operating activities	<u><u>\$ 66,076</u></u>	<u><u>\$ (35,356)</u></u>

See notes to financial statements.

NORTH CAROLINA MARRIAGE AND FAMILY THERAPY LICENSURE BOARD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

Note 1 - Nature of Activities and Significant Accounting Policies

Description of Organization and Purpose

The North Carolina Marriage and Family Therapy Licensure Board (the "Board") is an independent State board. 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. It 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 marriage and family therapists.

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

Financial 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.

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.

NORTH CAROLINA MARRIAGE AND FAMILY THERAPY LICENSURE BOARD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

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

Basis of Accounting

The basic financial statements of the Board are prepared using the economic resource measurement focus and the accrual basis of accounting. The economic resource measurement focus measures all assets that are available to the entity, not only cash or soon to be assets. Both long-term assets and long-term liabilities are measured and depreciation is recorded as a cost of operations. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when a liability has been incurred, regardless of the timing of cash flows. Fees received for the various licenses are deemed earned when the license period begins.

The Statements of Revenues, Expenses, and Changes in Net Position classifies the Board's revenues as operating or non-operating revenues. 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 and includes activities that have characteristics of exchange transactions. 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*. Nonoperating 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 certain time deposits held by the Board. Certain certificates of deposits (if any) are considered investments for Statements of Net Position presentation.

Prepaid Expenses

This classification includes expenses which are prepaid at year end. The Board had prepaid data processing expense of \$1,852 and prepaid dues of \$500 at June 30, 2021. The Board had prepaid dues of \$500 and prepaid rent of \$550 at June 30, 2020.

Capital assets

Capital assets 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 \$250 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.

Unearned Revenue

The Board's fees are assessed and collected on an annual basis for the period July 1 through June 30, which corresponds with the Board's accounting period. License renewal fees received in the latter part of the fiscal year are deferred and recognized as revenue over the one year period to which they relate.

NORTH CAROLINA MARRIAGE AND FAMILY THERAPY LICENSURE BOARD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

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

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 has 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*.

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

Deposits

All of the Board's deposits which are uninsured, if any, 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, the Board will not be able to recover its deposits that are in the possession of the outside party. The Board does not have formal written policies regarding custodial credit risk for deposits.

At June 30, 2021, the Board's deposits had a carrying amount (including undeposited receipts) of \$232,515 and a bank balance of \$232,515, which was covered by federal depository insurance. At June 30, 2020, the Board's deposits had a carrying amount (including undeposited receipts) of \$166,423 and a bank balance of \$163,598, which was covered by federal depository insurance.

NORTH CAROLINA MARRIAGE AND FAMILY THERAPY LICENSURE BOARD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

Note 3 - Capital Assets

	Cost 06-30-20	Acquisitions	Disposals	Cost 06-30-21	Accumulated Depreciation	Net Amount
Furniture/Equipment	\$ 9,811	\$ -	\$ -	\$ 9,811	\$ 9,087	\$ 724
	\$ 9,811	\$ 0	\$ 0	\$ 9,811	\$ 9,087	\$ 724

	Cost 06-30-19	Acquisitions	Disposals	Cost 06-30-20	Accumulated Depreciation	Net Amount
Furniture/Equipment	\$ 9,811	\$ -	\$ -	\$ 9,811	\$ 8,669	\$ 1,142
	\$ 9,811	\$ 0	\$ 0	\$ 9,811	\$ 8,669	\$ 1,142

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 \$418 for the fiscal year ended June 30, 2021 and \$418 for the fiscal year ended June 30, 2020.

Note 4 - Accounts Payable

Accounts payable consists of amounts due to vendors in the ordinary operations of the Board. Accounts payable due in the ordinary operations of the Board which are due to other state agencies (if any) are reported separately.

	June 30, 2021	June 30, 2020
Due to Vendors	\$ 5,195	\$ 2,925
Due to Other State Agencies		
Total Accounts Payable	\$ 5,195	\$ 2,925

Note 5 - Contractual Management Services

The Board does not have any employees. During the latter part of the fiscal year ended June 30, 2021, the Board contracted with a management consultant service to provide services for the Board. The contract includes all services related to the process of licensure application and renewal and various other secretarial duties. The Board also occasionally reimburses the management service for printing, copying, postage, miscellaneous office supplies and other expenses. Payments to the management service totaled \$9,329 during the fiscal year ended June 30, 2021. Prior to this transition to a management consultant service, the Board treated its administrative officer as an independent contractor. The Board contracted with this management service individual to provide services for the Board. The contract included all services related to the process of licensure application and renewal, and various other secretarial duties. The Board also reimbursed the management service individual occasionally for printing, copying, postage, miscellaneous office supplies and other expenses. Payments to the management service individual totaled \$68,882 during the fiscal year ended June 30, 2021 and \$68,258 during the fiscal year ended June 30, 2020.

NORTH CAROLINA MARRIAGE AND FAMILY THERAPY LICENSURE BOARD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

Note 6 - Operating Lease

The Board leased office space which monthly rental charge included utilities and supplemental charges. Total rent expense charged to operations under the lease agreement was \$5,500 for the year ended June 30, 2021 and \$6,600 for the year ended June 30, 2020. The office space lease agreement expired during the year ended June 30, 2021. The Board contracted with a management consultant service to provide services for the Board during the latter part of the year ended June 30, 2021 and opted not to renew the office space rental agreement.

The Board has no rental commitments under a noncancellable operating lease at June 30, 2021.

Note 7 - 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; 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 purchased no commercial insurance coverage. Accordingly, there have been no changes in insurance coverage from coverage in the prior year, and no insurance claims were filed during the last three fiscal years.

Note 8 - 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 years under audit do not materially affect the Board's operations, changes in financial position, or cash flows for the years herein ended.

Note 9 - Changes in Financial Accounting and Reporting

GASB Statement No. 95 provides temporary relief to government entities in light of the Covid-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that became effective or are scheduled to become effective for periods beginning after June 15, 2018 and later. Accordingly, the Board did not implement relevant provisions.

Note 10 - Subsequent Events

Subsequent events have been evaluated through October 27, 2021, 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.

This audit required 60 audit hours at a cost of \$5,895.

NORTH CAROLINA MARRIAGE AND FAMILY THERAPY LICENSURE BOARD
SCHEDULES OF RECEIPTS AND DISBURSEMENTS - MODIFIED CASH BASIS
YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
	<u>Proprietary- Enterprise Fund</u>	<u>Proprietary- Enterprise Fund</u>
RECEIPTS:		
Application and exam fees	\$ 59,000	\$ 36,550
Renewals and license fees	147,550	85,150
Miscellaneous operating income	1,600	2,600
Interest income	16	101
Total receipts	<u>208,166</u>	<u>\$ 124,401</u>
DISBURSEMENTS:		
Contractual management services	\$ 67,080	\$ 68,000
Staff travel	198	101
Contracted temporary services (investigative)	522	12,634
Building rent (including certain supplemental charges)	4,950	6,600
Storage space rental	1,848	1,728
Board members expenses (including special meeting expenses)	2,247	16,133
Telephone	914	1,047
Internet	1,261	1,259
Office supplies and expenses	921	1,594
Repairs and maintenance- office equipment	140	225
Printing and copying		2,034
Postage	235	1,449
Dues	500	500
Legal fees	26,607	29,302
Audit and accounting fees	8,995	8,995
Deposit processing fees	6,953	3,276
Bank charges	153	141
Website expenses	9,546	4,638
Data processing services	9,004	
Total disbursements	<u>\$ 142,074</u>	<u>\$ 159,656</u>
Receipts over (under) disbursements	66,092	(35,255)
Change in cash	<u>\$ 66,092</u>	<u>\$ (35,255)</u>
Cash and cash equivalents - beginning of year	<u>166,423</u>	<u>201,678</u>
Cash and cash equivalents - end of year	<u><u>\$ 232,515</u></u>	<u><u>\$ 166,423</u></u>

See auditor's report on supplementary information.