



STATE OF NORTH CAROLINA
BOARD OF EXAMINERS FOR SPEECH AND LANGUAGE PATHOLOGISTS AND AUDIOLOGISTS
PO Box 16885, Greensboro, NC 27416-0885
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www.ncboeslpa.org

January 31, 2017

The Honorable Elaine F. Marshall
Secretary of State
PO Box 29622
Raleigh, NC 27626-0622

Dear Secretary Marshall:

I am writing to report for the year ending September 30, 2016. A copy of the licensure statute, Article 22, and a list of the Board's licensees is available at our website: www.ncboeslpa.org.

Between October 1, 2015 and September 30, 2016, the following actions took place:

Applications received	555
Temporary Licenses granted	235
Permanent Licenses granted by reciprocity	280
Temporary to Permanent licensure status granted	233
Licenses renewed	6,111.33
SLP-Assistant registration renewals	273
SLP-Assistant new registrations	34
Licenses suspended due to disciplinary action	2
Licenses not renewed	307
Licenses Denied	3
Complaints Received	11

This Board uses the Praxis Examination as its required examination and does not have its own examination process. If you require additional information for this reported fiscal year, please let me know.

Sincerely,

Caroline D. Sherwood
Administrator

cc: Attorney General's Office
Joint Legislative Administrative Procedure Oversight Committee
Office of State Budget & Management
Office of State Auditor
Office of State Controller

NORTH CAROLINA BOARD OF EXAMINERS FOR SPEECH AND LANGUAGE
PATHOLOGISTS AND AUDIOLOGISTS

FINANCIAL STATEMENTS

SEPTEMBER 30, 2016
(Audit)

NORTH CAROLINA BOARD OF EXAMINERS FOR SPEECH AND LANGUAGE
PATHOLOGISTS AND AUDIOLOGISTS

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NORTH CAROLINA BOARD OF EXAMINERS FOR SPEECH AND LANGUAGE
PATHOLOGISTS AND AUDIOLOGISTS

ORGANIZATION AND BUSINESS

MAIN OFFICE:

Greensboro, North Carolina

OFFICERS AND BOARD MEMBERS:

David Blalock	Board Chairman
Sandra S. Capps	Administrator
Denise Sherwood	Asst Administrator
Allison Harrington	Board Member
Emily Page	Board Member
Carey Pahel	Board Member
Adam Mehlenbacher	Board Member
Eileen Raynor	Board Member
Cynthia Poole	Board Member

BUSINESS:

The organization is a licensing board for speech and language pathologists and audiologists in the state of North Carolina.

MEMBER
NORTH CAROLINA ASSOCIATION
OF CERTIFIED PUBLIC ACCOUNTANTS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Barre Burks, CPA, PA

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
North Carolina Board of Examiners for Speech
and Language Pathologists and Audiologists (NCBOE)
Greensboro, North Carolina

I have audited the accompanying financial statements of NCBOE (a nonprofit organization), which comprise the statement of net position as of September 30, 2016, and the statement of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements.

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. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion 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 net position of NCBOE as of September 30, 2016, and its revenues, expenses and changes in net position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United State of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Barre Burks, CPA, PA

Barre Burks, CPA, PA
Greensboro, North Carolina
January 31, 2017

1 NORTH CAROLINA BOARD OF EXAMINERS FOR SPEECH AND
LANGUAGE PATHOLOGISTS AND AUDIOLOGISTS

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

This section of the financial report represents management's discussion and analysis of the financial performance of the Board for the year ended September 30, 2016. This information should be read in conjunction with the audited financial statements which follow.

Financial Highlights

For 2016 the Board's net position increased by \$ 13,943 or 2.0%, due to operating revenues exceeding operating expenses.

For 2016 operating revenues increased by \$ 12,218 or 2.7% due primarily to more license renewal fees

For 2016 operating expenses increased by \$ 57,341 or 14.8% due primarily to increases in payroll, rent, consumer advocacy education and disciplinary hearings expenses.

Overview of the Financial Statements

This discussion and analysis is an introduction to the Board's financial statements which are comprised of two components: the financial statements and the notes to the financial statements.

Financial Statements

The Board's financial statements report information using accounting methods similar to those used by private sector companies.

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

The Statement of Revenues, Expenses and Changes in Net Position presents information on how the Board's net position 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 financial activities.

NORTH CAROLINA BOARD OF EXAMINERS FOR SPEECH AND
LANGUAGE PATHOLOGISTS AND AUDIOLOGISTS

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Condensed Financial Information

The following presents condensed information on the Board's operations:

	<u>9-30-16</u>	<u>9-30-15</u>
Current assets	\$ 930,780	\$ 914,716
Fixed assets net of depreciation	\$ <u>23,971</u>	\$ <u>22,280</u>
Total assets	\$ 954,751	\$ 936,996
Total liabilities	\$ 198,425	\$ <u>194,613</u>
Total net position	\$ <u>756,326</u>	\$ <u>742,383</u>
Operating revenues	\$ 457,618	\$ 445,399
Operating expenses	\$ <u>445,504</u>	\$ <u>388,163</u>
Operating income (loss)	\$ 12,114	\$ 57,236
Other income	\$ <u>1,829</u>	\$ <u>2,506</u>
Change in net position	\$ <u>13,943</u>	\$ <u>59,742</u>

Events Affecting Future Operations

The Board has no significant events affecting future operations 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 its accountability of the money it receives and spends. If you have any questions about this report or need additional information, contact: Board of Examiners for SLPA, PO Box 16885, Greensboro, NC 27416-0885

NORTH CAROLINA BOARD OF EXAMINERS FOR SPEECH AND LANGUAGE
PATHOLOGISTS AND AUDIOLOGISTS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2016

ASSETS

CURRENT ASSETS:

Cash – checking	\$ 142,718
Cash – money market	555,450
Cash – certificates of deposit	<u>220,020</u>
	918,188
Prepaid expenses	<u>12,592</u>
TOTAL CURRENT ASSETS	930,780

FIXED ASSETS (NOTE 2) 23,971

TOTAL ASSETS \$ 954,751

LIABILITIES AND NET POSITION

CURRENT LIABILITIES:

Accounts payable	\$ 5,622
Accrued expenses	1,524
Deferred revenue (Note 1)	191,279
TOTAL CURRENT LIABILITIES	<u>198,425</u>

TOTAL LIABILITIES 198,425

NET POSITION (NOTE 6) 756,326

\$ 954,751

See independent auditor's report and notes to financial statements

NORTH CAROLINA BOARD OF EXAMINERS FOR SPEECH AND LANGUAGE
PATHOLOGISTS AND AUDIOLOGISTS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2016

UNRESTRICTED NET POSITION

REVENUES:

Application fees	\$ 16,670
Delinquency and sundry fees	3,754
Duplicate certificates	849
Incorporation certificates	4,107
Label sales	2,783
License renewal fees	366,680
Permanent license fees	30,936
Speech assistants	15,901
Temporary license fees	9,430
Verification fees	<u>6,508</u>

TOTAL REVENUES 457,618

EXPENSES:

Computer consultant	875
Consumer advocacy education	25,000
Contribution	5,000
Depreciation	3,147
Disciplinary hearings	4,193
Gifts	1,347
Insurance – general	6,743
Insurance – group	3,049
Internet	882
Office supplies	7,732
Per diems	12,240
Postage	9,299
Printing and reproduction	6,079
Professional development	9,404
Professional services	109,297
Rent – building	23,268
Rent – equipment	8,014
Retirement plan	9,402
Salaries and wages – Administrator	79,645
Salaries and wages - Other	84,712
Subcontract labor	146
Taxes – payroll	12,756
Telephone	3,471
Travel, motels, and meals	<u>19,803</u>

TOTAL EXPENSES \$ 445,504

See independent auditor's report and notes to financial statements

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NORTH CAROLINA BOARD OF EXAMINERS FOR SPEECH AND LANGUAGE
PATHOLOGISTS AND AUDIOLOGISTS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED SEPTEMBER 30, 2016

OPERATING INCOME (LOSS)	\$ 12,114
OTHER INCOME (EXPENSE):	
Fixed asset disposal	(952)
Interest income	<u>2,781</u>
TOTAL OTHER INCOME (EXPENSE)	<u>1,829</u>
INCREASE (DECREASE) IN NET POSITION	13,943
 NET POSITION - AT BEGINNING OF YEAR	 <u>742,383</u>
NET POSITION - AT END OF YEAR	<u>\$ 756,326</u>

See independent auditor's report and notes to financial statements

NORTH CAROLINA BOARD OF EXAMINERS FOR SPEECH AND LANGUAGE
PATHOLOGISTS AND AUDIOLOGISTS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

CASH FLOWS FROM OPERATING ACITIVITES:

Increase (decrease) in net position	\$ 13,943
Adjustments to reconcile excess revenues (expenses) to net cash used by operating activities:	
Depreciation	3,147
(Gain) loss on fixed asset disposal	952
Changes in assets and liabilities:	
Prepaid expenses	(10,424)
Accounts payable	(3,695)
Accrued expenses	(2,317)
Deferred revenue	<u>9,827</u>
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	 <u>11,433</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of fixed assets	(<u>5,793</u>)
 NET CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES	 (<u>5,793</u>)
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 5,640
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	 <u>912,548</u>
 CASH AND CASH EQUIVALENTS, END OF YEAR	 \$ <u>918,188</u>

See independent auditor's report and notes to financial statements

NORTH CAROLINA BOARD OF EXAMINERS FOR SPEECH AND LANGUAGE
PATHOLOGISTS AND AUDIOLOGISTS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Operations - The organization is a licensing board for speech and language pathologists and audiologists in the state of North Carolina. Revenues are derived primarily from member dues.

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 a private business enterprise 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.

Basis of Accounting - The accompanying financial statements have been prepared in accordance with Statement of Governmental Standards 34. The Board presents a statement of net position, a statement of revenues, expenses and changes in net position and a statement of cash flows. The financial statements report all activities of the Board using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized when incurred, if measurable.

Deferred Income – Licensee dues are assessed on their inception date each year and are deferred and recognized over the period which they relate which is less than one year. The Board does not maintain accounts receivable because licensees receive annual notification of dues with a thirty day expiration of their license if not renewed.

Compensated Absences – The Board does not accrue or disclose employee absences because the amounts cannot be reasonably determined and because of its method of accounting used.

Fixed Assets - Fixed assets are depreciated on the straight-line method over their useful lives, which generally are estimated at 10 years. A salvage value of 10 percent is used on all fixed assets. Payment for items with limited use and routine maintenance and repairs are treated as current expense.

NORTH CAROLINA BOARD OF EXAMINERS FOR SPEECH AND
LANGUAGE PATHOLOGISTS AND AUDIOLOGISTS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2016

Income Taxes - The Board is exempt from federal and state income taxes

Cash and Cash Equivalents – Cash and cash equivalents include all amounts on deposit at banks which consist of checking, money market savings and certificates of deposits.

NOTE 2 - FIXED ASSETS:

Office furniture and equipment	\$ 51,166
Less accumulated depreciation	(<u>27,195</u>)
	\$ <u>23,971</u>

NOTE 3 – OBLIGATIONS UNDER OPERATING LEASES:

The Board entered into a lease agreement for office space with CF Properties, LLC dated July 1, 2015 and ending on December 31, 2018. The monthly installments are \$ 1,871 per month for 6 months, then \$ 1,953 for 24 months and \$ 2,011 for 12 months.

The Board entered into a lease agreement for copier equipment with Systel Business Equipment Co, Inc. dated September 4, 2014 for 48 monthly installments of \$ 172 after which became a month to month lease. The Board leases postage equipment from Pitney Bowes on a quarter-to-quarter lease at \$ 442 per quarter.

The minimum future rental payments for the office lease agreement are as follows:

September 30, 2017	\$23,436
September 30, 2018	\$23,958
September 30, 2019	\$ 6.033

NOTE 4 – RETIREMENT PLAN:

The Board maintains a simple deferral retirement plan where fulltime employees may defer 5% of compensation and the Board will contribute 8% of compensation. The Board's contribution for the year ended was \$ 9,402.

NORTH CAROLINA BOARD OF EXAMINERS FOR SPEECH AND LANGUAGE
PATHOLOGISTS AND AUDIOLOGISTS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2016

NOTE 5 – CONCENTRATIONS OF CREDIT RISK:

The Board's financial instrument that is exposed to concentrations of credit risk is cash. Cash accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per account.

NOTE 6- NET POSITION:

The Board classifies net position as follows:

Net investment in fixed assets – this fund consists of capital assets net of accumulated depreciation.

Restricted net position - The Board has earmarked the following amounts for future financial needs:

Potential future litigation	\$100,000
Licensee education	20,000
Consumer education	10,000
Technology upgrades	60,000
FARB and board training	20,000
Legislative rule compliance	<u>20,000</u>
	<u>\$ 230,000</u>

Unrestricted net position – this component does not meet the definition of restricted net position or net investment in fixed assets.

NOTE 7 – SUBSEQUENT EVENTS:

Subsequent events have been evaluated through January 31, 2017, the date of the auditor's report and no events were found which would require additional disclosure.