

NORTH CAROLINA BOARD OF EXAMINERS FOR SPEECH
AND LANGUAGE PATHOLOGISTS AND AUDIOLOGISTS
FINANCIAL STATEMENTS - MODIFIED CASH BASIS

SEPTEMBER 30, 2013

(Audit)

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

MAIN OFFICE:

Greensboro, North Carolina

OFFICERS AND BOARD MEMBERS:

Margaret Treacy	Board Chairman
Sandra S. Capps	Administrator
Denise Sherwood	Executive Assistant
David Blalock	Board Member
Shirley Carraway, Ed.D.	Board Member
Teryl Delagrange, Au.D.	Board Member
Gregg Givens, Ph.D.	Board Member
Eric Kraus, M.D.	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

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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 assets, liabilities, and net assets –modified cash basis as of September 30, 2013, and the statement of revenues, expenses and net assets – modified cash basis and cash flows - modified cash basis for the year 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 the cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. 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 assets, liabilities, and net assets of NCBOE as of September 30, 2013, and its support, revenue and expenses for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis of Accounting

I draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My opinion is not modified with respect to that matter.

Barre Burks, CPA, PA

Barre Burks, CPA, PA
Greensboro, North Carolina
January 31, 2014

NORTH CAROLINA BOARD OF EXAMINERS FOR SPEECH AND
LANGUAGE PATHOLOGISTS AND AUDIOLOGISTS
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS – MODIFIED CASH
BASIS

SEPTEMBER 30, 2013

ASSETS

CURRENT ASSETS:	
Cash – checking	\$ 263,895
Cash – money market	303,910
Cash – certificates of deposit	<u>218,055</u>
TOTAL CURRENT ASSETS	785,860
FIXED ASSETS (NOTE 2)	<u>19,580</u>
TOTAL ASSETS	\$ <u>805,440</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITES:	
Payroll liabilities	\$ <u>2,467</u>
TOTAL CURRENT LIABILITIES	<u>2,467</u>
TOTAL LIABILITIES	<u>2,467</u>
NET ASSETS:	
Unrestricted	572,973
Temporarily restricted (Note 6)	<u>230,000</u>
	<u>802,973</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>805,440</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 REVENUES, EXPENSES AND NET ASSETS – MODIFIED CASH BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

UNRESTRICTED NET ASSETS:

REVENUES:

Application fees	\$ 15,449
Delinquency and sundry fees	3,855
Duplicate certificates	902
Incorporation certificates	2,600
Label sales	2,180
License renewal fees	333,156
Permanent license fees	28,733
Speech assistants	12,072
Temporary license fees	9,448
Verification fees	<u>4,867</u>

TOTAL REVENUES 413,262

EXPENSES:

Bank charges	2,321
Casual labor	850
Computer consultant	3,990
Depreciation	2,127
Disciplinary hearings	637
Dues and subscriptions	40
Gifts	759
Insurance – general	2,552
Insurance – group	2,532
Internet	1,171
Office supplies	6,488
Per diems	13,051
Postage	6,198
Printing and reproduction	4,539
Professional development	6,296
Professional services	81,696
Rent – building	11,500
Rent – equipment	6,170
Retirement plan	8,102
Salaries and wages – Executive Assistant	39,184
Salaries and wages – Executive Secretary	68,262
Taxes – payroll	8,173
Telephone	3,377
Travel, motels, and meals	<u>22,775</u>

TOTAL EXPENSES \$ 302,790

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 NET ASSETS – MODIFIED CASH BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

OPERATING INCOME (LOSS)	\$ 110,472
OTHER INCOME (EXPENSE):	
Interest income	2,278
RECLASSIFICATION TO TEMPORARILY RESTRICTED NET ASSETS	<u>(230,000)</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	<u>(117,250)</u>
TEMPORARILY RESTRICTED NET ASSETS:	
RECLASSIFICATION FROM UNRESTRICTED NET ASSETS	<u>230,000</u>
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	<u>230,000</u>
INCREASE (DECREASE) IN TOTAL NET ASSETS	112,750
NET ASSETS - AT BEGINNING OF YEAR	<u>690,223</u>
NET ASSETS - AT END OF YEAR	<u>\$ 802,973</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 – MODIFIED CASH BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

CASH FLOWS FROM OPERATING ACITIVITES:

Increase (decrease) in net assets	\$112,750
Adjustments to reconcile excess revenues (expenses) to net cash used by operating activities:	
Depreciation	2,127
Increase in payroll liabilities	<u>2,063</u>
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	 <u>116,940</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of fixed assets	(<u>4,749</u>)
 NET CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES	 (<u>4,749</u>)
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 112,191
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	 <u>673,669</u>
 CASH AND CASH EQUIVALENTS, END OF YEAR	 \$ <u>785,860</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, 2013

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.

Method of Accounting - The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under that basis, revenues are recognized when received rather than when earned and expenses are recognized when paid rather than when incurred in the financial statements. However, depreciation of fixed assets is recorded as an expense over the useful life of the asset.

Net Assets – Net assets are presented according to three classes: unrestricted, temporarily restricted and permanently restricted net assets in accordance with Financial Accounting Standards Board ASC 958-210.

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 usefulness and routine maintenance and repairs are treated as current expenses.

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	\$ 44,918
Less accumulated depreciation	(<u>25,338</u>)
	\$ <u>19,580</u>

NORTH CAROLINA BOARD OF EXAMINERS FOR SPEECH AND
LANGUAGE PATHOLOGISTS AND AUDIOLOGISTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2013

NOTE 3 – OBLIGATIONS UNDER OPERATING LEASES:

The Board entered into a lease agreement for office space with CF Properties, LLC dated January 1, 2013 and ending on December 31, 2013. The monthly installments are \$ 958 per month for 12 months with renewals for two years.

The Board entered into a lease agreement for copier equipment with Systel Business Equipment Co, Inc. dated September 17, 2009 for 48 monthly installments of \$ 121.

The Board leases postage equipment from Pitney Bowes on a quarter-to-quarter lease at \$ 444 per quarter.

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

September 30, 2014	\$ 2,874
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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 contribution for the year ended September 30, 2013 was \$ 8,102.

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.

NORTH CAROLINA BOARD OF EXAMINERS FOR SPEECH AND
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NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2013

NOTE 6- TEMPORARILY RESTRICTED NET ASSETS:

The Board has earmarked the following amounts for future financial needs:

FTC appeals	\$ 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>

NOTE 7 – SUBSEQUENT EVENTS:

Subsequent events have been evaluated up to the date of the auditor's report and no events were found which would require additional disclosure.