

Memorandum

To: Angie Dunaway, State Purchasing Officer

From: Bethany Hamm-Whitfield, Chairperson of the North Carolina Interpreter and Transliterator Licensing Board

cc: Pamela Smith, Board Secretary
John R. Green, Jr., Esq., Board Counsel

Date: August 26, 2016

Re: Request to Waive Competition in Renewing Contract with Board Administrator Management Company

Pursuant to 01 NCAC 05B.1401, the North Carolina Interpreter and Transliterator Licensing Board (the "Board") hereby formally requests the State Purchasing Officer to waive competition and allow the Board to negotiate and sign a contract for three (3) years with Capitol Hill Management Services ("Capitol Hill").

Statement of Facts Supporting the Request

Pursuant to its authority codified in Chapter 90D of the North Carolina General Statutes and promulgated in 21 N.C.A.C. 25.0101, *et seq.*, the Board provides important oversight of interpreters licensed to translate and transliterate for the deaf and hard of hearing community in North Carolina. The Board regulates approximately 523 provisional and full licensees. The Board is comprised of volunteer members from across the State who are appointed by the Executive and Legislative Branches. The Board members serve in staggered terms, such that new members are usually appointed to the Board annually. (For additional information, see <http://www.ncitlb.org>).

The Board administrator manages the operations of the Board, is an important and consistent source of historical and current information about the Board, and is knowledgeable of the details necessary for the Board to operate effectively and efficiently. The Board has used a management service company instead of hiring an employee because a full-time employee is not needed and would be more expensive for the Board than using a management service company. Also, managing an employee (part-time or full-time) would present time and location challenges for the volunteer Board members who live across the State. The current provider, Capitol Hill, has provided superior service to the Board, and its employee who serves as administrator to the Board has a level of high expertise that is unique and would be difficult to replace.

The administrator processes over 500 license applications and renewals each year, processes payments, handles most correspondence, and answers most of the questions of applicants, licensees, and others based upon knowledge and experience gained from having served in that role. The administrator also assists the Board in gathering initial information related to a complaint against a licensee. The administrator (with advice from the Board's legal counsel) responds to requests for information from the General Assembly and public records requests, and the current administrator is able to gather such information expediently. In addition, the administrator handles a number of other matters for the Board and keeps the Board apprised of operations.

Grounds for the Request

The Board is seeking a waiver because a change in vendors would require numerous hours and considerable effort by the Board members and retained legal counsel to train a possible new administrator on the Board's procedures, operations, and historical data, with no guarantee that a similar high level of services would be provided. The Board's operations require a skilled and experienced administrator with unique knowledge of the Board, which the Board has found with the current administrator. Pursuant to 1 N.C.A.C. 5B.1401, "particular professional services are required," "standardization or compatibility is the overriding consideration," and "additional . . . services are needed to complete an ongoing job or task," which is the continued effective and efficient operations of the Board. Therefore, the Board requests that the State Purchasing Officer approve this request.

If granted, the Board intends to direct its counsel to negotiate a final agreement in order to keep prices competitive. An estimated annual cost of the services is \$50,000. See Exhibit 1 (Fiscal Year 2014-15 Audit) and Exhibit 2 (Balance Sheet as of May 31, 2016).

EXHIBIT 1

NORTH CAROLINA INTERPRETER AND TRANSLITERATOR LICENSING BOARD

**Financial Statements and
Supplemental Schedules for the
Years Ended September 30, 2015 and 2014 and
Independent Auditors' Report**

NORTH CAROLINA INTERPRETER AND TRANSLITERATOR LICENSING BOARD

**Financial Statements and
Supplemental Schedules for the
Years Ended September 30, 2015 and 2014 and
Independent Auditors' Report**

BOARD MEMBERS (2014-2015)

Jane Dolan, Chairperson

Jan Withers, Vice-Chairperson

Bethany Hamm-Whitfield, Secretary

Lynn Dey, Treasurer

Ashley Benton

Wayne Giese

Catherine Johnson

Emily Pope

Pamela Smith

EXECUTIVE OFFICER (2014-2015)

Caitlin Schwab, Administrator

LEGAL COUNSEL (2014-2015)

North Carolina Department of Justice

NORTH CAROLINA INTERPRETER AND TRANSLITERATOR LICENSING BOARD

TABLE OF CONTENTS

	<u>Page</u>
MANAGEMENT'S DISCUSSION AND ANALYSIS	1-2
INDEPENDENT AUDITORS' REPORT	3-4
FINANCIAL STATEMENTS FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014	
Statements of Net Position	5
Statements of Revenues, Expenses and Changes in Net Position	6
Statements of Cash Flows	7
Notes to Financial Statements	8-12
SUPPLEMENTARY INFORMATION YEARS ENDED SEPTEMBER 30, 2015 AND 2014	
Schedules of Receipts and Disbursements - Modified Cash Basis	13

NORTH CAROLINA INTERPRETER AND TRANSLITERATOR LICENSING BOARD

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 years ended September 30, 2015 and 2014. Please read it in conjunction with the financial statements which follow this section.

Financial Highlights

During 2015, the Board's net position increased by \$14,701, or 13.0%, due to operating revenues exceeding operating expenses. During 2014, the Board's net position decreased by \$2,074, or 1.8%, due to operating expenses exceeding operating revenues.

During 2015, the operating revenues of the Board increased by \$6,420, or 8.0%, due primarily to an increase in initial license fees. During 2014, the operating revenues of the Board increased by \$2,184, or 2.8%, due primarily to an increase in renewal fees.

During 2015, the non-operating revenues of the Board decreased by \$32, or 4.0%, due to a decreased amount of cash being held in interest bearing accounts. During 2014, the non-operating revenues of the Board increased by \$16, or 2.0%, due to an increase in cash on hand.

During 2015, the operating expenses of the Board decreased by \$10,387, or 12.5%, due primarily to a decrease in legal fees. During 2014, the operating expenses of the Board increased by \$9,011, or 12.2%, due primarily to an increase in legal fees.

Overview of the Financial Statements

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

Basic Financial Statements

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

The 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 INTERPRETER AND TRANSLITERATOR LICENSING 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 September 30, 2015	Current Year as of and for the year ended September 30, 2014
Current assets	\$ 237,057	\$ 234,189
Capital assets	240	299
Total assets	<u>\$ 237,297</u>	<u>\$ 234,488</u>
Current liabilities	\$ 109,141	\$ 121,033
Total liabilities	<u>\$ 109,141</u>	<u>\$ 121,033</u>
Investment in capital assets	\$ 240	\$ 299
Unrestricted	127,916	113,156
Total net position	<u>\$ 128,156</u>	<u>\$ 113,455</u>
Operating revenues	\$ 86,436	\$ 80,016
Operating expenses	(72,507)	(82,894)
Operating income	13,929	(2,878)
Non-operating revenues	772	804
Change in net position	<u>\$ 14,701</u>	<u>\$ (2,074)</u>

Events Affecting Future Operations

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

Contacting the Board's Management

This financial report is designed to provide a general overview of the Board's finances and to demonstrate the Board's accountability for the money it receives. If you have any questions about this report or need additional information, contact: The North Carolina Interpreter and Transliterators Licensing Board, 3801 Lake Boone Trail, Suite 190, Raleigh, NC 27607.

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Certified Public Accountants

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P.O. 1545
Angier, North Carolina 27501-1545

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Facsimile: (919) 639-3102

INDEPENDENT AUDITORS' REPORT

Members of the Board
North Carolina Interpreter and Transliterator Licensing Board
Raleigh, North Carolina

Report on the Financial Statements

We 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 Interpreter and Transliterator Licensing Board (the "Board"), an independent state agency which is a nonmajor enterprise fund of the primary government of the State of North Carolina, as of September 30, 2015 and 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the North Carolina Interpreter and Transliterator Licensing Board as of September 30, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT (CONCLUDED)

Management's Discussion and Analysis - Required Supplementary Information

Accounting principles generally accepted in the United States of America require that 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 this 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 this 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.

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

Angier NC

November 30, 2015

NORTH CAROLINA INTERPRETER AND TRANSLITERATOR LICENSING BOARD
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2015 AND 2014

	September 30, 2015	September 30, 2014
	Proprietary- Enterprise Fund	Proprietary- Enterprise Fund
ASSETS		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 197,375	\$ 196,734
Prepaid expense - management fees (Note 5)	39,682	37,455
Total current assets	<u>237,057</u>	<u>234,189</u>
Capital assets (Note 1):		
Furniture and office equipment	240	299
Total capital assets - net of depreciation	<u>240</u>	<u>299</u>
TOTAL ASSETS	<u>\$ 237,297</u>	<u>\$ 234,488</u>
LIABILITIES AND NET POSITION		
Current liabilities:		
Accounts payable	\$ 36,576	\$ 31,168
Due to other state agencies	865	21,765
Unearned revenue (Note 3)	71,700	68,100
Total current liabilities	<u>109,141</u>	<u>121,033</u>
TOTAL LIABILITIES	<u>109,141</u>	<u>121,033</u>
NET POSITION (NOTE 4)		
Investment in capital assets	240	299
Unrestricted net position	\$ 127,916	\$ 113,156
TOTAL NET POSITION	<u>128,156</u>	<u>113,455</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 237,297</u>	<u>\$ 234,488</u>

See notes to financial statements.

NORTH CAROLINA INTERPRETER AND TRANSLITERATOR LICENSING BOARD
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015	2014
	Proprietary- Enterprise Fund	Proprietary- Enterprise Fund
OPERATING REVENUES:		
Initial license fees	\$ 15,525	\$ 10,650
Renewal fees	67,800	67,200
SBI fingerprinting fees	2,736	2,166
Other income	375	
Total operating revenues	\$ 86,436	\$ 80,016
OPERATING EXPENSES:		
Contractual management services (Note 5)	\$ 46,357	\$ 42,844
Board members expenses	6,350	6,416
SBI fingerprinting costs	2,736	2,166
Other contracted services - interpreters	3,733	2,447
Other contracted services - court reporter		1,754
Legal, audit and accounting fees	9,908	24,880
Telephone	360	583
Office expenses	142	112
Depreciation	59	103
Printing and copying	1,323	598
Postage	966	788
Website expenses	429	56
Miscellaneous expenses	144	147
Total operating expenses	\$ 72,507	\$ 82,894
Operating income	\$ 13,929	\$ (2,878)
NON- OPERATING REVENUES (EXPENSES):		
Interest income	\$ 772	\$ 804
Total non-operating revenues	\$ 772	\$ 804
Change in net position	\$ 14,701	\$ (2,074)
Net position - beginning of year	\$ 113,455	\$ 115,529
Net position - end of year	\$ 128,156	\$ 113,455

See notes to financial statements.

NORTH CAROLINA INTERPRETER AND TRANSLITERATOR LICENSING BOARD
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015	2014
	Proprietary- Enterprise Fund	Proprietary- Enterprise Fund
Cash flows from operating activities:		
Cash received from fees and other income	\$ 90,186	\$ 81,514
Cash payments for operating expenses	(90,317)	(75,570)
Net cash provided by operating activities	\$ (131)	\$ 5,944
Cash flows from investing activities:		
Interest earned	\$ 772	\$ 804
Net cash provided by investing activities	\$ 772	\$ 804
Net increase in cash	\$ 641	\$ 6,748
Cash - beginning of year	\$ 196,734	\$ 189,986
Cash - end of year	\$ 197,375	\$ 196,734
Reconciliation of operating income		
to net cash provided by operating activities:		
Operating income	\$ 13,929	\$ (2,878)
Adjustments to reconcile operating income		
to net cash provided by operating activities:		
Depreciation	\$ 59	\$ 103
Changes in assets and liabilities:		
Prepaid expense - management fees	(2,227)	(907)
Accounts payable	(15,492)	8,128
Unearned revenue	3,600	1,498
Total adjustments	\$ (14,060)	\$ 8,822
Net cash provided by operating activities	\$ (131)	\$ 5,944

See notes to financial statements.

**NORTH CAROLINA INTERPRETER AND TRANSLITERATOR LICENSING BOARD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

Note 1 - Nature of Activities and Significant Accounting Policies

Description of Organization

The North Carolina Interpreter and Transliterators Licensing Board (the "Board") is an independent State agency. It is an occupational licensing board and is authorized by Chapter 90D of the North Carolina General Statutes. The Board is composed of nine members who are appointed by the Governor and the General Assembly 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 interpreters and transliterators.

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

Basis of Presentation

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

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

Reporting Entity

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

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

**NORTH CAROLINA INTERPRETER AND TRANSLITERATOR LICENSING BOARD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

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 Statements of Net Position; Statements of Revenues, Expenses, and Changes in Net Position; and Statements of Cash Flows. These statements reflect entity-wide operations of the Board. The Board has no fiduciary funds or component units.

The Statements 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 Interpreter and Transliterators Licensing Board using the economic resource measurement focus and the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recognized when incurred, if measurable, regardless of the timing of cash flows.

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

Cash and Cash Equivalents

This classification includes undeposited receipts, petty cash, checking accounts and time deposits held by the Board.

Fair Value of Financial Instruments

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

Prepaid Expenses

This classification includes management agency fees which were prepaid at year end which related to unearned revenue. See Note 5 for further explanation.

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.

**NORTH CAROLINA INTERPRETER AND TRANSLITERATOR LICENSING BOARD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

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

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 \$500 or greater at the date of acquisition and an estimated useful life of more than one year. Depreciation is computed using the straight-line method of depreciation over the estimated useful lives of the assets, generally estimated as follows: office furniture and equipment, 5 to 7 years. Summaries follow:

	Cost			Accumulated			Net		
	09-30-14	Acquisitions	Disposals	09-30-15	Depreciation	Amount			
Furniture/Equipment	\$ 934	\$ 0	\$ 0	\$ 934	\$ 694	\$ 240			
	\$ 934	\$ 0	\$ 0	\$ 934	\$ 694	\$ 240			

	Cost			Accumulated			Net		
	09-30-13	Acquisitions	Disposals	09-30-14	Depreciation	Amount			
Furniture/Equipment	\$ 934	\$ 0	\$ 0	\$ 934	\$ 635	\$ 299			
	\$ 934	\$ 0	\$ 0	\$ 934	\$ 635	\$ 299			

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 \$59 for the fiscal year ended September 30, 2015 and \$103 for the fiscal year ended September 30, 2014

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

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

At September 30, 2015, the Board's deposits (including undeposited receipts on hand) had a carrying amount of \$197,375 and a bank balance of \$197,403, which was covered by federal depository insurance. At September 30, 2014, the Board's deposits (including undeposited receipts on hand) had a carrying amount of \$196,734 and a bank balance of \$197,664, which was covered by federal depository insurance.

NORTH CAROLINA INTERPRETER AND TRANSLITERATOR LICENSING BOARD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2015 AND 2014

Note 3 - Unearned Revenue

The Board's fees are assessed and collected on an annual basis for the period October 1 through September 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.

Note 4 - Net Position

Investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation.

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 at year end.

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

Note 5 - Contractual Management Services and Related Prepaid Expense

The Board does not have any employees. The Board contracts with a management consultant service to provide services for the Board. The management service fee is calculated as a percentage (55%) of certain revenues collected during the period. The contract includes all services related to the process of licensure application and renewal and various other secretarial duties. The Board also reimburses the management service for printing, copying, postage and miscellaneous office supplies and expenses. Payments to the management service (including adjustments for prepaid expense, discussed below) totaled \$49,135 during the fiscal year ended September 30, 2015 and \$44,523 (including adjustments for prepaid expense, discussed below) during the fiscal year ended September 30, 2014.

Since management fees are calculated as a percentage of certain income collected, when revenue collected during a period is deferred and recognized in a future period, the management fees related to the collection of that unearned revenue should be deferred and recognized as expense in that future period that the revenue is recognized. Accordingly, management fees paid and accrued, which relate to unearned income, are recorded as prepaid expense - management fees (an asset) on the Statements of Net Position, and is recognized as expense in the period that the revenue is recognized.

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; 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.

**NORTH CAROLINA INTERPRETER AND TRANSLITERATOR LICENSING BOARD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

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

Note 8 - Subsequent Events

Subsequent events have been evaluated through November 30, 2015, 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 40 audit hours at a cost of \$3,995.

**NORTH CAROLINA INTERPRETER AND TRANSLITERATOR LICENSING BOARD
SCHEDULES OF RECEIPTS AND DISBURSEMENTS - MODIFIED CASH BASIS
YEARS ENDED SEPTEMBER 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
	<u>Proprietary- Enterprise Fund</u>	<u>Proprietary- Enterprise Fund</u>
RECEIPTS:		
Initial license fees	\$ 15,975	\$ 11,600
Renewal fees	71,100	67,800
SBI fingerprinting fees	2,736	2,014
Other income	375	
Interest income	772	804
Total receipts	<u>\$ 90,958</u>	<u>\$ 82,218</u>
DISBURSEMENTS:		
Contractual management services	\$ 44,336	\$ 49,481
Board members expenses	5,720	8,291
SBI fingerprinting costs	2,660	1,862
Other contracted services - interpreters	3,733	2,447
Other contracted services - court reporter		1,754
Legal, audit and accounting fees	30,504	9,351
Telephone	360	583
Office supplies	142	112
Printing and copying	1,323	598
Postage	966	788
Website expenses	429	56
Miscellaneous expenses	144	147
Total disbursements	<u>\$ 90,317</u>	<u>\$ 75,470</u>
Receipts in excess of disbursements	\$ 641	\$ 6,748
Change in cash	<u>\$ 641</u>	<u>\$ 6,748</u>
Cash in bank - beginning of year	<u>196,734</u>	<u>189,986</u>
Cash in bank - end of year	<u><u>\$ 197,375</u></u>	<u><u>\$ 196,734</u></u>

EXHIBIT 2

NCITLB
Balance Sheet
As of May 31, 2016

	<u>May 31, 16</u>	<u>May 31, 15</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Current Assets				
Checking/Savings	150,108.00	139,530.36	10,577.64	7.58%
Total Current Assets	<u>150,108.00</u>	<u>139,530.36</u>	<u>10,577.64</u>	<u>7.58%</u>
Fixed Assets				
1500 · Property and Equipment	934.67	934.67	0.00	0.0%
1600 · A/D - Property & Equipment	-635.39	-635.39	0.00	0.0%
Total Fixed Assets	<u>299.28</u>	<u>299.28</u>	<u>0.00</u>	<u>0.0%</u>
TOTAL ASSETS	<u><u>150,407.28</u></u>	<u><u>139,829.64</u></u>	<u><u>10,577.64</u></u>	<u><u>7.57%</u></u>
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
20000 · Accounts Payable	3,517.27	0.00	3,517.27	100.0%
Total Accounts Payable	<u>3,517.27</u>	<u>0.00</u>	<u>3,517.27</u>	<u>100.0%</u>
Total Current Liabilities	<u>3,517.27</u>	<u>0.00</u>	<u>3,517.27</u>	<u>100.0%</u>
Total Liabilities	<u>3,517.27</u>	<u>0.00</u>	<u>3,517.27</u>	<u>100.0%</u>
Equity				
3900 · Retained Earnings	128,215.85	113,455.26	14,760.59	13.01%
Net Income	18,674.16	26,374.38	-7,700.22	-29.2%
Total Equity	<u>146,890.01</u>	<u>139,829.64</u>	<u>7,060.37</u>	<u>5.05%</u>
TOTAL LIABILITIES & EQUITY	<u><u>150,407.28</u></u>	<u><u>139,829.64</u></u>	<u><u>10,577.64</u></u>	<u><u>7.57%</u></u>