

NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS

**Financial Statements for the
Years Ended December 31, 2021 and 2020 and
Independent Auditor's Report**

NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS

Financial Statements for the Years Ended December 31, 2021 and 2020 and Independent Auditor's Report

BOARD MEMBERS (2021)

Martin Baker, LAT, Chairperson

Janna Fonseca, LAT, Vice-Chairperson

Jeffrey Carley, DO

Daniel Duffy, LAT

KaRonne Jones

Jackelyn Knight, LAT

Michael M. Marushack, MD

EXECUTIVE OFFICER

Paola Learoyd, Executive Director

LEGAL COUNSEL

Nexsen Pruet, LLC

NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS

TABLE OF CONTENTS

	<u>Page</u>
MANAGEMENT’S DISCUSSION AND ANALYSIS	1 - 4
INDEPENDENT AUDITOR’S REPORT	5 - 7
FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020	
Statements of Net Position	8
Statements of Revenues, Expenses and Changes in Net Position	9
Statements of Cash Flows	10
Notes to Financial Statements	11 - 17

NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS

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 December 31, 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 \$70,330, or 12.63%, due to an annual recurrence of revenues in excess of expenses. During 2020, the Board's net position increased by \$36,837, or 7.09%, due to an annual recurrence of revenues in excess of expenses.

During 2021, the operating revenues of the Board increased by \$21,475, or 13.37%, due primarily to an increase in license fees. During 2020, the operating revenues of the Board decreased by \$4,325, or 2.62%, due primarily to a decrease in license fees.

During 2021, the non-operating revenues of the Board increased by \$3,623, or 349.37%, due primarily to an increase in unrealized gain on certificates of deposit in the secondary market. During 2020, the non-operating revenues of the Board decreased by \$5,765, or 84.75%, due primarily to a decrease in interest earnings rates and an unrealized loss on certificates of deposit in the secondary market.

During 2021, the operating expenses of the Board decreased by \$8,395 or 6.73%, due primarily to a decrease in computer support/database related expenses, and board member expenses. During 2020, the operating expenses of the Board increased by \$8,291 or 7.11%, due primarily to an increase in computer support/database related expenses, legal expenses, and board member expenses.

Overview of the Financial Statements

This financial report consists of two sections: Management's Discussion and Analysis and the Financial Statements. The Board has no 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 BOARD OF ATHLETIC TRAINER EXAMINERS

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 December 31, 2021	Prior Year as of and for the year ended December 31, 2020
Current assets	\$ 375,411	\$ 307,867
Other assets	313,774	308,901
Total assets	<u>\$ 689,185</u>	<u>\$ 616,768</u>
Current liabilities	\$ 62,140	\$ 60,053
Total liabilities	<u>\$ 62,140</u>	<u>\$ 60,053</u>
Unrestricted net position	\$ 627,045	\$ 556,715
Total net position	<u>\$ 627,045</u>	<u>\$ 556,715</u>
Operating revenues	\$ 182,100	\$ 160,625
Operating expenses	(116,430)	(124,825)
Operating income	\$ 65,670	\$ 35,800
Non-operating revenues	4,660	1,037
Change in net position	<u>\$ 70,330</u>	<u>\$ 36,837</u>

NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis

Net position is an indicator of the fiscal health of the Board. Assets exceeded liabilities by \$627,045 for the year ended December 31, 2021, and \$556,715 for the year ended December 31, 2020. The largest component of net position was cash and investments. Cash and cash equivalents, and investments represented 107.72% of total net position for the year ended December 31, 2021, and 108.39% for the year ended December 31, 2020. Current assets consist of cash and cash equivalents, and prepaid expenses. Noncurrent assets consist of long-term investments. The Board owns no capital assets. Current liabilities consist of accounts payable due to vendors and unearned revenue from license fees paid in advance. The Board has no long-term liabilities. Net position consists entirely of unrestricted net assets. The following is a summary of the Statements of Net Position.

	Current Year as of December 31, 2021	Prior Year as of December 31, 2020	Amount of Change	Percentage Change
Current assets	\$ 375,411	\$ 307,867	\$ 67,544	21.94%
Other assets	313,774	308,901	4,873	1.58%
Total assets	<u>\$ 689,185</u>	<u>\$ 616,768</u>	<u>\$ 72,417</u>	<u>11.74%</u>
Current liabilities	\$ (62,140)	\$ (60,053)	\$ (2,087)	3.48%
Total liabilities	<u>\$ (62,140)</u>	<u>\$ (60,053)</u>	<u>\$ (2,087)</u>	<u>3.48%</u>
Unrestricted	\$ 627,045	\$ 556,715	\$ 70,330	12.63%
Total net position	<u>\$ 627,045</u>	<u>\$ 556,715</u>	<u>\$ 70,330</u>	<u>12.63%</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 December 31, 2021	The year ended December 31, 2020	Amount of Change	Percentage Change
Operating revenues	\$ 182,100	\$ 160,625	\$ 21,475	13.37%
Operating expenses	(116,430)	(124,825)	8,395	-6.73%
Non-operating revenues	4,660	1,037	3,623	349.37%
Change in net position	<u>\$ 70,330</u>	<u>\$ 36,837</u>	<u>\$ 33,493</u>	<u>90.92%</u>
Ending net position	<u>\$ 627,045</u>	<u>\$ 556,715</u>	<u>\$ 70,330</u>	<u>12.63%</u>

NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS

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 December 31, 2021	The year ended December 31, 2020	Amount of Change	Percentage Change
Revenues from fees	\$ 182,100	\$ 160,625	\$ 21,475	13.37%
Total	\$ 182,100	\$ 160,625	\$ 21,475	13.37%

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 December 31, 2021	The year ended December 31, 2020	Amount of Change	Percentage Change
Interest income	\$ 3,265	\$ 2,921	\$ 344	11.78%
Unrealized gain (loss)	1,395	(1,884)	3,279	-174.04%
Total	\$ 4,660	\$ 1,037	\$ 3,623	349.37%

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. The Board anticipates that revenues and expenses of the Board in the upcoming year will be comparable to preceding 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 Board of Athletic Trainer Examiners, P.O. Box 10769, Raleigh, NC 27605.

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INDEPENDENT AUDITOR'S REPORT

Members of the Board
North Carolina Board of Athletic Trainer Examiners
Raleigh, North Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the North Carolina Board of Athletic Trainer Examiners (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 December 31, 2021 and 2020, and the related notes to the financial statements, which comprise the Board's basic financial statements as listed in the table of contents.

In our opinion, based on our audit, the accompanying financial statements present fairly, in all material respects, the respective financial position of the North Carolina Board of Athletic Trainer Examiners as of December 31, 2021 and 2020, and the results of its operations, changes in financial position, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the statements of net position as of December 31, 2021 and 2020, and the statements of revenues, expenses, and changes in net position, and cash flows for the year ended December 31, 2021 and 2020.

Responsibilities of Management for the Financial Statements

The Board's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for one year after the date that the financial statements are issued.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

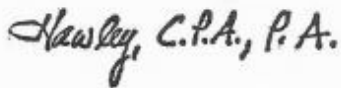
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

INDEPENDENT AUDITOR'S REPORT (CONCLUDED)

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. 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 audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Hawley, C.P.A., P.A.
Angier North Carolina

April 22, 2022

NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS
STATEMENTS OF NET POSITION
DECEMBER 31, 2021 AND 2020

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
	<u>Proprietary- Enterprise Fund</u>	<u>Proprietary- Enterprise Fund</u>
ASSETS		
Current assets:		
Cash and cash equivalents (Notes 1 and 2)	\$ 361,873	\$ 294,717
Prepaid expense	<u>13,538</u>	<u>13,150</u>
Total current assets	375,411	307,867
Other assets:		
Investments (Notes 1, 2 and 3)	313,596	308,726
Accrued interest receivable	<u>178</u>	<u>175</u>
Total other assets	313,774	308,901
TOTAL ASSETS	<u><u>\$ 689,185</u></u>	<u><u>\$ 616,768</u></u>
LIABILITIES AND NET POSITION		
Current liabilities:		
Accounts payable (Note 4)	\$ 16,040	\$ 13,853
Unearned revenue (Note 1)	<u>46,100</u>	<u>46,200</u>
Total current liabilities	62,140	60,053
TOTAL LIABILITIES	<u><u>62,140</u></u>	<u><u>60,053</u></u>
NET POSITION (Note 1)		
Unrestricted net position	<u>627,045</u>	<u>556,715</u>
TOTAL NET POSITION	<u><u>627,045</u></u>	<u><u>556,715</u></u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 689,185</u></u>	<u><u>\$ 616,768</u></u>

See notes to financial statements.

NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 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:		
Revenue from fees (including late fees)	\$ 182,100	\$ 160,625
Total operating revenues	\$ 182,100	\$ 160,625
OPERATING EXPENSES:		
Personal services:		
Board members expenses	\$ 900	\$ 2,362
Supplies and materials:		
Office supplies and printing	395	44
Services:		
Contractual management services (Note 5)	38,256	37,142
Legal (including hearing expenses) and audit fees	33,595	33,295
Computer support (including database expenses)	22,093	29,516
Website management expenses	1,654	3,881
Staff travel expenses		90
Storage	1,724	1,644
Postage	459	585
Telephone	984	1,031
Payment processing fees (including bank charges)	6,602	6,235
Insurance expense	9,768	9,000
Total operating expenses	<u>\$ 116,430</u>	<u>\$ 124,825</u>
Operating income (loss)	\$ 65,670	\$ 35,800
NON-OPERATING REVENUES (EXPENSES):		
Interest income (including unrealized gain/loss on certificates of deposit in the secondary market) (Note 1)	4,660	1,037
Total non-operating revenues	\$ 4,660	\$ 1,037
Change in net position	<u>\$ 70,330</u>	<u>\$ 36,837</u>
Net position - beginning of year	<u>556,715</u>	<u>519,878</u>
Net position - end of year	<u><u>\$ 627,045</u></u>	<u><u>\$ 556,715</u></u>

See notes to financial statements.

NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
	Proprietary- Enterprise Fund	Proprietary- Enterprise Fund
Cash flows from operating activities:		
Cash received from fees and other operating income	\$ 182,000	\$ 160,275
Cash payments for operating expenses	(114,631)	(121,718)
Net cash provided by operating activities	\$ 67,369	\$ 38,557
Cash flows from investing activities:		
Transfer of certificate(s) of deposit to (from) operating account	(4,870)	(126,191)
Interest on investments	\$ 4,657	\$ 1,024
Net cash provided by investing activities	\$ (213)	\$ (125,167)
Net increase in cash	\$ 67,156	\$ (86,610)
Cash - beginning of year	294,717	381,327
Cash - end of year	\$ 361,873	\$ 294,717
Reconciliation of operating income		
to net cash provided by operating activities:		
Operating income (loss)	\$ 65,670	\$ 35,800
Adjustments to reconcile operating income		
to net cash provided by operating activities:		
Changes in assets and liabilities:		
Prepaid expense	\$ (388)	\$ (1,495)
Accounts payable	2,187	4,602
Unearned revenue	(100)	(350)
Total adjustments	\$ 1,699	\$ 2,757
Net cash provided by operating activities	\$ 67,369	\$ 38,557

See notes to financial statements.

NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 1 - Nature of Activities and Significant Accounting Policies

Description of Organization and Purpose

The North Carolina Board of Athletic Trainer Examiners (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 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 athletic trainers.

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 BOARD OF ATHLETIC TRAINER EXAMINERS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 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*. 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 (when applicable) undeposited receipts, petty cash, checking accounts and time deposits (excluding certain certificates of deposit, if any) held by the Board.

Investments

The Board is authorized to invest idle funds in accordance with North Carolina General Statutes. This classification consists of certain certificates of deposits held by the Board for investment. Investments generally are reported at fair market value. Certificates of deposit are reported at cost (which is the same as fair value) if purchased in the primary certificate of deposit market, and at fair value if purchased in the secondary certificate of deposit market (as determined by quoted market prices). The net increase (decrease) in the fair value of investments for certificates of deposit is recognized as a component of investment interest income. The Board held negotiable certificates of deposit at year end.

Prepaid Expense

This classification includes prepaid computer database expense and prepaid processing fees.

NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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

Unearned Revenue

The Board's fees are assessed and collected on a fiscal year basis, which corresponds with the Board's accounting period. Licenses are renewed for a period of one fiscal year. License renewal fees received in the latter part of the fiscal year are unearned and recognized as revenue over the one year period to which they relate.

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. The Board had no investment in capital assets.

Restricted net position - This component of net position consists of net position which the Board is legally or contractually obligated to spend in accordance with restrictions imposed by external parties. The Board had no restricted net position.

Unrestricted net position - This component of net position consists of net position that does not meet the definition of *restricted net position 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 and Investments

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 written policies regarding custodial credit risk for deposits.

At December 31, 2021, the Board's deposits had a carrying amount of \$675,469 and a bank balance of \$675,469, which was covered by federal depository insurance. Certificates of deposit in the amount of \$313,596 are considered time deposits for this disclosure and are classified as investments on the Statements of Net Position. At December 31, 2020, the Board's deposits had a carrying amount of \$603,443 and a bank balance of \$603,461, which was covered by federal depository insurance. Certificates of deposit in the amount of \$308,726 are considered time deposits for this disclosure and are classified as investments on the Statements of Net Position.

NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 2 - Deposits and Investments (Continued)

The Board had interest earnings of \$4,660 for the year ended December 31, 2021 (including an unrealized gain of \$1,335 on certificates of deposit in the secondary market), and \$1,037 for the year ended December 31, 2020 (including an unrealized loss of \$1,884 on certificates of deposit in the secondary market).

Investments

The Board is subject to the following risks:

Interest rate risk - Interest rate risk is the risk the Board may face should interest rate variances affect the fair value of investments. As a means of limiting its exposure to fair value losses arising from interest rate variances, the Board limits its investments, if any, to certificates of deposits (negotiable and non-negotiable) with maturities of no more than 84 months and to money market mutual funds.

Credit risk - Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. Investments of the Board are subject to the statutory requirements of North Carolina General Statutes, however the Board's present policy for managing credit risk is to limit its investments to certificates of deposits (negotiable and non-negotiable) and money market mutual funds.

Custodial credit risk - Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Board does not have formal written policies regarding custodial credit risk for investments.

The following table presents fair value of investments by type and investment subject to the above denoted risks at December 31, 2021 and 2020, for the Board's investments.

Year	Investment Type	Fair Value	Properties of Debt Securities	
			Weighted Average Maturities	Ratings
2021	Securities: Certificates of Deposit	\$ 313,596	43 Months	N/A
2020	Securities: Certificates of Deposit	\$ 308,726	38.02 Months	N/A

NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 2 - Deposits and Investments (Continued)

Reconciliation of Deposits and Investments

A reconciliation of deposits and investments for the Board to the basic financial statements at December 31, 2021 and 2020, is as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Carrying Amount of Bank Deposits	\$ 361,873	\$ 294,717
Certificates of Deposit	313,596	308,726
Total Deposits and Investments	<u>\$ 675,469</u>	<u>\$ 603,443</u>
Current:		
Cash and Cash Equivalents	\$ 361,873	\$ 294,717
Noncurrent:		
Investments	313,596	308,726
Total Deposits and Investments	<u>\$ 675,469</u>	<u>\$ 603,443</u>

Note 3 - Fair Value Measurements

Fair value, as defined under GASB 72, Fair Value Measurement and Application, is an exit price representing the price that would be received to sell or paid to transfer a liability in an orderly transaction between market participants at the measurement date. U.S. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

Level 1: Observable inputs such as quoted prices in active markets.

Level 2: Inputs other than quoted prices in active markets that are either directly or indirectly observable.

Level 3: Unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Board's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 3 - Fair Value Measurements (Continued)

The following table sets forth by level the fair value hierarchy of the Board's financial assets and liabilities accounted for at fair value on a recurring basis as of December 31, 2021 and 2020.

Year	Investment Type	Total Fair Value	Level 1	Level 2	Level 3
2021	Negotiable certificates of deposit	\$ 151,334	\$	\$ 151,334	\$
2020	Negotiable certificates of deposit	\$ 148,546	\$	\$ 148,546	\$

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.

	December 31, 2021	December 31, 2020
Due to Vendors	\$ 16,040	\$ 13,853
Total Accounts Payable	\$ 16,040	\$ 13,853

Note 5 - Contractual Management Services

The Board does not have any employees. The Board contracts 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 miscellaneous office supplies and expenses. Payments to the management service totaled \$38,256 (consisting of \$38,256 in contractual management services and no reimbursements) during the fiscal year ended December 31, 2021. Payments to the management service totaled \$37,142 (consisting of \$37,142 in contractual management services and no reimbursements) during the fiscal year ended December 31, 2020.

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. Additionally, the Board protects itself from exposure to potential loss through the purchase of commercial insurance coverage (directors and officers liability coverage and employment practices liability coverage). There have been no significant reductions in insurance coverage from coverage in the prior fiscal year, and no insurance claims were filed during any of the last three fiscal years.

NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 7 - Contingencies

Disciplinary Hearings

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 April 22, 2022, 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 approximately 54 audit hours at a cost of \$5,895.