

NAME OF STATE BOARD

## NC BOARD OF PHYSICAL THERAPY EXAMINERS

8300 Health Park, Suite 233

Raleigh, NC 27615-4731

### OSBM Annual Reports for Year End 06/30/2022

Telephone: 919-490-6393

Fax: 919-490-5106

Website: [www.ncptboard.org](http://www.ncptboard.org)

Kathy O'Dwyer Arney, PT, MA Executive

Director Email address: [karney@ncptboard.org](mailto:karney@ncptboard.org)

Report submitted by: Joyce Tynes, Finance Manager

NCBPTE – Fiscal Year 2020 – July 1, 2021 – June 30, 2022

**North Carolina Board of Physical Therapy Examiners**  
**Fiscal Year 2022**  
**July 1, 2021 - June 30, 2022**

93B 2 (a)	Information requested	NCBPTE Response
(1)	The address of the board, and the names of its members and officers.	See attached
(1a)	The total number of licensees supervised by the board	14,427 This number reflects the total number of both PT and PTA licensees with an "active" license as of 06-30-20
(2)	The number of persons who applied to the board for examination	640
(3)	The number who were refused examination	0
(4)	The number who took the examination.	721
(5)	The number to whom initial licenses were issued.	609
(5a)	The number who failed the examination.	101
(6)	The number who applied for license by reciprocity or comity.	520
(7)	The number who were granted licenses by reciprocity or comity.	491
(7a)	The number of official complaints received involving licensed and unlicensed activities	41
(7b)	The number of disciplinary actions taken against licensees, or other actions taken against non-licensees, including injunctive relief.	Disciplinary Actions: 4 Other actions: 0
(8)	The number of licenses suspended or revoked.	3
(9)	The number of licenses terminated for any reason other than failure to pay the required renewal fee.	1 Voluntary

(9a)	The number of applicants for a license and, of that number, the number granted a license.	Applicants for a license: 1,369 Number granted a license: 1,100
(9b)	The number of applicants with a conviction record and, of that number, the number granted a license, denied a license for any reason, and denied a license because of a conviction.	Applicants with conviction record: Number granted a license: 1 Number denied a license for any reason: 0 Number denied a license because of conviction: 0
(9c)	The number of applicants with military training, the number granted a license, the number denied a license for any reason, and a summary of the reasons for denial. The information provided in accordance with this subdivision shall not disclosed any identifying information of any applicant.	Military training applicants: 2 Granted a licensed: 2 Denied a license: 0
(9d)	The number of applicants who are military spouses, the number granted a license, the number denied a license for any reason, and a summary of the reasons for denial. The information provided in accordance with this subdivision shall not disclose any identifying information of any applicant.	Military spouse applicants: 61 Military Spouse granted License: 44 Denied a license: 0
(10)	The substance of any anticipated request by the occupational licensing board to the General Assembly to amend statutes related to the occupational licensing board.	NONE
(11)	The substance of any anticipated change in rules adopted by the occupational licensing board or the substance of any anticipated adoption of new rules by the occupational licensing board.	See attached
93B-2(e)		
(1)	The number of applicants for a license and, of that number, the number granted a license.	Applicants for a license: 1,369 Number granted a license: 1,100
(2)	The number of applicants with a conviction record and, of that number,	Applicants with conviction record: 1

	the number granted a license, denied a license for any reason, and denied a license because of a conviction	Number granted a license: 0 Number denied a license for any reason: 0 Number denied a license because of conviction: 0
(3)	The number of applicants with military training, the number granted a license, the number denied a license for any reason, and summary of the reasons for denial. The information provided in accordance with this subdivision shall not disclose any identifying information of any applicant.	Military trained applicants: 2 Military trained granted a license: 2 Military trained denied a license: 0
(4)	The number of applicants who are military spouses, the number granted a license, the number denied a license for any reason, and a summary of the reasons for denial. The information provided in accordance with this subdivision shall not disclose any identifying information of any applicant. (1957, c. 1377, s. 2; 1969, c. 42; 2006-70, s. 1; 2007-323, s. 23.2; 2009-125, s. 2; 2011-291, ss. 2.19, 2.20; 2014-120, s. 4; 2019, s. 3; 2020-87, s. 2(a))	Military spouse applicants: 61 Military spouse granted a license: 44 Military spouse denied a license: 0



## NOTICE OF TEXT [Authority G.S. 150B-21.2(c)]

**OAH USE ONLY**

VOLUME:

ISSUE:

CHECK APPROPRIATE BOX:

- ☒ Notice with a scheduled hearing  
☐ Notice without a scheduled hearing  
☐ Republication of text. Complete the following cite for the volume and issue of previous publication, as well as blocks 1 - 4 and 7 - 14. If a hearing is scheduled, complete block 5.  
Previous publication of text was published in Volume:      Issue:

1. Rule-Making Agency: NC BOARD OF PHYSICAL THERAPY EXAMINERS

2. Link to agency website pursuant to G.S. 150B-19.1(c): <https://www.ncptboard.org/>

3. Proposed Action -- Check the appropriate box(es) and list rule citation(s) beside proposed action:

☐ ADOPTION:

☒ AMENDMENT: 21 NCAC 48B .0102; 48F .0101; 48G .0105, .0203, .0504

☒ REPEAL: 21 NCAC 48E .0104; 48F .0103

☐ READOPTION with substantive changes:

☐ READOPTION without substantive changes:

☐ REPEAL through READOPTION:

4. Proposed effective date: August 1, 2022

5. Is a public hearing planned? ☒ Yes ☐ No

If yes: Public Hearing date: March 9, 2022

Public Hearing time: 10:00AM

Public Hearing location: Offices of NC Board of Physical Therapy Examiners, 8300 Health Park, Suite 233, Raleigh, NC, 27615

6. If no public hearing is scheduled, provide instructions on how to demand a public hearing:

**7. Explain Reason For Proposed Rule(s):** The NC Board of Physical Therapy Examiners proposes to amend rules in 21 NCAC 48B, 48F and 48G, and repeal rules in 48E and 48F. The changes to the aforementioned rules are being requested to make the rules consistent with current practice and policy by the NCBPTE.

**8. Procedure for Subjecting a Proposed Rule to Legislative Review:** If an objection is not resolved prior to the adoption of the rule, a person may also submit written objections to the Rules Review Commission. If the Rules Review Commission receives written and signed objections in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the Commission approves the rule. The Commission will receive those objections by mail, delivery service, hand delivery, or facsimile transmission. If you have any further questions concerning the submission of objections to the Commission, please call a Commission staff attorney at 919-431-3000.

☐ Rule(s) is automatically subject to legislative review. Cite statutory reference:

**9. The person to whom written comments may be submitted on the proposed rule(s):**

**Name:** Deborah J. Ragan, PT, DPT

**Address:** 8300 Health Park Suite 233

Raleigh, NC 27615

**Phone (optional):** 919-490-6393

**Fax (optional):**

**E-Mail (optional):** [dragan@ncptboard.org](mailto:dragan@ncptboard.org)

**10. Comment Period Ends:** March 21, 2022

**11. Fiscal impact. Does any rule or combination of rules in this notice create an economic impact? Check all that apply.**

- ☐ State funds affected
- ☐ Local funds affected
- ☐ Substantial economic impact ( $\geq \$1,000,000$ )
- ☐ Approved by OSBM
- ☒ No fiscal note required

**12. Rule-making Coordinator:** Deborah J. Ragan, PT, DPT

**Phone:** 919-490-6393

**E-Mail:** [dragan@ncptboard.org](mailto:dragan@ncptboard.org)

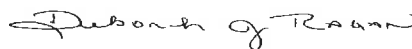
**Additional agency contact, if any:**

**Phone:**

**E-mail:**

**13. The Agency formally proposed the text of this rule(s) on**  
**Date:** December 2, 2021

**14. Signature of Agency Head\* or Rule-making Coordinator:**



**Typed Name:** Deborah J. Ragan, PT, DPT  
**Title:** Rulemaking Coordinator

*\*If this function has been delegated (reassigned) pursuant to G.S. 143B-10(a), submit a copy of the delegation with this form.*

1 21 NCAC 48B .0102 is proposed for amendment as follows:

2  
3 **21 NCAC 48B .0102 LICENSES BY ENDORSEMENT**

4 (a) Endorsement. Each application for endorsement shall be considered on an individual basis.

5 (b) Examination Required. Only those persons initially licensed in another state by virtue of examination shall be  
6 considered for endorsement. Only the following examinations shall be considered:

7 (1) For Physical Therapists:

8 (A) Therapists licensed on the basis of a PT exam shall present total scores that meet the North  
9 Carolina passing level as set forth in 21 NCAC 48D .0105. .0105, in a format approved by  
10 the Board. If scores and information are not available from the other state, the applicant  
11 shall have the scores issued through the testing agency. If scores are no longer available or  
12 destroyed, the Board shall accept a notarized copy of exam scores from another state. If the  
13 total score on the examination is unsatisfactory, the exam shall be repeated. The cost of the  
14 examination shall be paid by the applicant.

15 (B) If licensed in another state by an examination compiled by that Board, the applicant shall  
16 supply information for the Board to attempt to obtain the examination in order to determine  
17 if it meets the requirements set forth in 21 NCAC 48D .0105. If it cannot be determined  
18 that the examination was equal to the North Carolina examination or if the scores received  
19 on an acceptable examination did not meet the North Carolina passing requirement, the  
20 applicant shall take the PT exam. The cost of the examination shall be paid by the applicant.

21 (C) A physical therapist currently licensed in another state whose license in that state was  
22 granted on the basis of the American Registry of Physical Therapists Examination shall be  
23 considered for endorsement.

24 (2) For Physical Therapist Assistants: Only those physical therapist assistants licensed in another state  
25 by a PTA exam shall be considered for endorsement. The examination score shall meet the North  
26 Carolina passing level as set forth in 21 NCAC 48D .0105. If not, the applicant shall be required to  
27 take the PTA exam and pay the cost of the examination.

28 (c) Active License. An applicant for licensure by endorsement shall submit verification of licensure in effect on the  
29 date the application for North Carolina licensure was filed with the Board in accordance with 21 NCAC 48E .0105.

30 (d) Jurisprudence Exercise. All applicants for licensure by endorsement shall furnish proof of completion of the  
31 Jurisprudence Exercise 1 as set forth in 21 NCAC 48G .0105(7).

32  
33 *History Note: Authority G.S. 90-270.92; 90-270.98(b); 90-270.100;*

34 *Eff. February 1, 1976;*

35 *Readopted Eff. September 30, 1977;*

36 *Amended Eff. August 1, 1998; February 1, 1996; November 1, 1991; December 1, 1990;*

37 *October 1, 1989; April 1, 1989;*

1

*Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 1, 2018;*

2

*Amended Eff. August 1, 2022; May 1, 2020.*



## 21 NCAC 48E .0104 Examination Scores

21 NCAC 48E .0104 is proposed for repeal as follows:

### 21 NCAC 48E .0104 EXAMINATION SCORES

~~Persons seeking licensure by endorsement shall have their examination scores sent to the executive director on a form authenticated by the reporting Board.~~

*History Note: Authority G.S. 90-270.92; 90-270.98(b);*

*Eff. February 1, 1976;*

*Readopted Eff. September 30, 1977;*

*Amended Eff. July 1, 2013; August 1, 1998; February 1, 1996; October 1, 1989; April 1, 1989; May 1, 1988;*

*Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 1, 2018.*

*Repealed Eff. August 1, 2022.*

21 NCAC 48F .0101 is proposed for amendment as follows:

**SUBCHAPTER 48F - CERTIFICATES: FEES: INVESTIGATIONS: RECORD OF LICENSEES**

**SECTION .0100 - CERTIFICATES: FEES: INVESTIGATIONS: RECORD OF LICENSEES**

**21 NCAC 48F .0101      LICENSURE CERTIFICATE**

(a) Names:

(1) A licensee's name will appear on the certificate as the name of the individual at the time of licensure, except in the case of a person taking the examination who is married during the time between the examination and the actual date of licensure. This person may elect to use her maiden name or her married name, if the marriage takes place prior to the date of licensure.

(2) If a name is changed after the date of licensure, the licensee may request a new certificate to reflect the name change and pay the cost for a duplicate certificate.

(3) The licensee shall use the name that is on the license certificate in the workplace.

(b) Date. The date of licensure shall be the day on which the person is given final approval of licensure by the Board.

(c) Replacements. Persons needing a replacement or a duplicate copy of a certificate will be charged a fee for it.

*History Note: Authority G.S. 90-270.92; 90-270.98; 90-270.100;*

*Eff. February 1, 1976;*

*Readopted Eff. September 30, 1977;*

*Amended Eff. May 1, 1988; December 30, 1985; October 28, 1979;*

*Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 1, ~~2018~~.*

*Amended Eff. August 1, 2022.*

1 21 NCAC 48F .0103 is proposed for repeal as follows:

2  
3 21 NCAC 48F .0103 INVESTIGATIONS

4 ~~Any complaint alleging violations of the North Carolina Physical Therapy Practice Act must be made in writing,~~  
5 ~~signed by the person submitting the complaint, and include the complainant's address and telephone number.~~  
6 ~~Complaints must be sent to the Executive Director.~~

7  
8 *History Note: Authority G.S. 90-270.92; 90-270.102; 90-270.103;*

9 *Eff. February 1, 1976;*

10 *Readopted Eff. September 30, 1977;*

11 *Amended Eff. December 1, 2006; February 1, 1996; May 1, 1988; October 28, 1979;*

12 ~~*Readopted Eff. May 1, 2019. 2019.*~~

13 ~~*Repealed Eff. August 1, 2022.*~~

21 NCAC 48G .0105 is proposed for amendment as follows:

## 21 NCAC 48G .0105 DEFINITIONS

As used in this Subchapter, the following definitions apply:

- (1) "Approved provider" means an entity that has been approved by the Board to provide continuing competence activities for licensees as provided in the rules in this Section.
- (2) "Clinical Practice" means physical therapy consultation or patient care or client management or the supervision thereof.
- (3) "Contact Hour" means at least ~~50~~ 60 consecutive minutes of engagement in a continuing competence activity. 0.5 contact hour means at least 30 consecutive minutes of engagement in a continuing competence activity. Two segments of at least 25 consecutive minutes each is equivalent to one contact hour. Breaks and meals are not included in contact hours.
- (4) "Continuing Competence" means the licensee's ongoing activities to augment knowledge, skills, behaviors, and abilities related to the practice of physical therapy.
- (5) "Continuing Education" means courses of study designed to provide learning experiences for physical therapy licensees.
- (6) "Documentation" means evidence of completion of continuing competence activities.
- (7) "Jurisprudence Exercise" is an online set of questions concerning the Physical Therapy Practice Act, Board rules and Position Statements posted on the Board's website at <http://www.ncptboard.org>.
- (8) "Licensee" means a physical therapist or physical therapist assistant licensed in North Carolina.
- (9) "Peer-reviewed" means judged by an independent panel of experts having special knowledge or skills in a particular field of study.
- (10) "Point" means a unit of continuing competence.
- (11) "Registered" means enrollment in a continuing competence activity.
- (12) "Reporting period" means a 25 month period commencing on January 1 during which the licensee must complete all continuing competence requirements. Points earned by a licensee may be counted toward completion during one reporting period only.

*History Note: Authority G.S. 90-270.92;*

*Eff. January 1, 2009;*

*Amended Eff. January 1, 2014;*

*Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 1, 2018; 2018;*

*Amended Eff. August 1, 2022.*

1 21 NCAC 48G .0504 is proposed for amendment as follows:

2  
3 21 NCAC 48G .0504 COMPLAINTS AND INVESTIGATIONS

4 (a) In order to file a complaint with the Board, Board alleging violations of the North Carolina Physical Therapy  
5 Practice Act, the following information shall be submitted to the Board in writing, or by filing a complaint online at  
6 the Board's website www.ncptboard.org.

7 (1) the name and address of person alleged to have violated the Physical Therapy Practice Act;

8 (2) a statement of conduct that is the basis of the complaint; and

9 (3) the name, address, signature and telephone number of complainant.

10 (b) Upon receipt of a written complaint alleging misconduct that may subject a licensee to disciplinary action, or upon  
11 the receipt of the information that a violation of the Physical Therapy Practice Act may have occurred, the Board shall  
12 investigate the matter to determine whether probable cause exists to institute disciplinary proceedings.

13 (c) The Executive Director of the Board and a member appointed by the Chair shall serve as an investigative  
14 committee. This investigative committee may be assisted by:

15 (1) the Board's attorney;

16 (2) an investigator; or

17 (3) a consultant, who is not a NC PT/PTA licensee, retained by the investigative committee who  
18 possesses expertise that will assist the investigative committee in its investigation.

19 (d) The investigative committee shall investigate the complaint or information set forth in Paragraphs (a) and (b) of  
20 this Rule. In conducting its investigation, the Board Chair (or Executive Director, if designated by the Chair) may  
21 issue subpoenas in the investigative committee's name for the production of documents pursuant to the provisions of  
22 Rule .0512 of this Section. The investigative committee shall determine whether there is probable cause to believe  
23 that the licensee has violated any statute or Board rule that justifies a disciplinary hearing. If the investigative  
24 committee determines probable cause does not exist, the complaint shall be dismissed, and the complainant shall be  
25 notified of the investigative committee's action and its reasons. If the investigative committee determines that probable  
26 cause exists, the investigative committee shall offer to confer with the licensee in an attempt to settle the matter through  
27 informal means. If the investigative committee and the licensee reach an agreement on the disposition of the matter  
28 under investigation, the investigative committee shall cause to be drafted a proposed settlement agreement that shall  
29 include findings of fact, conclusions of law, and a consent order for presentation to and consideration by the Board.  
30 The settlement agreement shall be presented to and approved by the licensee before it is presented to the Board for  
31 consideration and approval.

32 (e) Prior to a decision rendered by the Board, any materials generated or obtained by the Board in conducting an  
33 investigation shall be considered confidential investigation records not subject to the Public Records Act, G.S. 132.  
34 However, copies of the materials may be provided to a licensee subject to disciplinary action, or to the licensee's  
35 attorney, so long as identifying information concerning the treatment or delivery of professional services to a patient  
36 who has not consented to its public disclosure shall be redacted.

1 (f) If the investigative committee and the licensee are not able to settle the matter under investigation by informal  
2 means, the licensee may request a contested case hearing pursuant to Rule .0502 of this Section or the Board shall  
3 give notice of a disciplinary or contested case hearing.

4 (g) If probable cause is found, but it is determined that license suspension or revocation is not warranted, the  
5 investigative committee shall recommend that the Board place the licensee on probation, or issue a warning to the  
6 licensee. In making this determination, the investigative committee shall consider such factors as harm to the public;  
7 nature of the conduct; and prior record of discipline. The investigative committee shall mail or email a copy of its  
8 recommendation to the licensee or the licensee's attorney.

9 (h) Within 20 days after receipt of the recommendation, the licensee may refuse the probation or warning and request  
10 a contested case hearing pursuant to this Rule. The refusal and request shall be filed with the Board. The legal counsel  
11 for the Board shall thereafter prepare, file, and serve a Notice of Hearing.

12 (i) In the alternative, within 20 days after receipt of the recommendation, the licensee may request an informal meeting  
13 with the Board to discuss the basis of the investigative committee's recommendation and present reasons why the  
14 Board should not follow the investigative committee's recommendation. There shall be no sworn testimony presented,  
15 nor shall there be a formal record of the proceedings.

16 (j) If the licensee does not request a contested case hearing or an informal meeting with the Board, the Board shall  
17 still determine whether to accept the investigative committee's recommendation.

18 (k) Participation by a current Board member in the investigation of a complaint shall disqualify that Board member  
19 from participating in the decision making process of a contested case hearing.

20 (l) Subsequent to the issuance of a notice of hearing, the attorney prosecuting the contested case for the Board may  
21 not communicate, directly or indirectly, in connection with any issue of fact or question of law, with any party,  
22 including the members of the Board assigned to make a decision or to make findings of fact and conclusions of law  
23 in the contested case, except on notice and opportunity for all parties to participate. However, the attorney prosecuting  
24 the matter for the Board may continue to communicate concerning the contested case with the members of the  
25 investigative committee who investigated the matter, with persons not parties to the contested case who may be called  
26 as witnesses including the person who filed the complaint, and with the Board members about other matters.

27  
28 *History Note: Authority G.S. 90-270.92; 150B-38; 150B-39; 150B-40;*

29 *Eff. October 1, 1995;*

30 *Amended Eff. February 1, 2015; July 1, 2013; August 1, 2002; August 1, 1998; February 1, 1996;*

31 *Readopted Eff. May 1, 2018;*

32 *Amended Eff. August 1, 2022; May 1, 2020.*

# TITLE 21 - OCCUPATIONAL LICENSING BOARDS AND COMMISSIONS

## CHAPTER 48 – BOARD OF PHYSICAL THERAPY EXAMINERS

*Notice is hereby given in accordance with G.S. 150B-21.2 that the Board of Physical Therapy Examiners intends to amend the rules cited as 21 NCAC 48B .0102; 48F .0101; 48G .0105, .0203, .0504 and repeal the rules cited as 21 NCAC 48E .0104; and 48F .0103.*

*Pursuant to G.S. 150B-21.17, the Codifier has determined it impractical to publish the text of rules proposed for repeal unless the agency requests otherwise. The text of the rule(s) are available on the OAH website at <http://reports.oah.state.nc.us/ncac.asp>.*

**Link to agency website pursuant to G.S. 150B-19.1(c):** <https://www.ncptboard.org/>

**Proposed Effective Date:** August 1, 2022

**Public Hearing:**

**Date:** March 9, 2022

**Time:** 10:00 a.m.

**Location:** Offices of NC Board of PT Examiners, 8300 Health Park Suite 233, Raleigh, NC 27615

**Reason for Proposed Action:** The NC Board of Physical Therapy Examiners proposes to amend rules in 21 NCAC 48B, 48F and 48G, and repeal rules in 48E and 48F. The changes to the aforementioned rules are being requested to make the rules consistent with current practice and policy by the NCBPTE.

**Comments may be submitted to:** Deborah Ragan, 8300 Health Park Suite 233, Raleigh, NC 27615; phone (919) 490-6393; email [dragan@ncptboard.org](mailto:dragan@ncptboard.org)

**Comment period ends:** March 21, 2022

**Procedure for Subjecting a Proposed Rule to Legislative Review:** If an objection is not resolved prior to the adoption of the rule, a person may also submit written objections to the Rules Review Commission after the adoption of the Rule. If the Rules Review Commission receives written and signed objections after the adoption of the Rule in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the Commission approves the rule. The Commission will receive those objections by mail, delivery service, hand delivery, or facsimile transmission. If you have any further questions concerning the submission of objections to the Commission, please call a Commission staff attorney at 984-236-1850.

**Fiscal impact. Does any rule or combination of rules in this notice create an economic impact? Check all that apply.**

- ☐ State funds affected
- ☐ Local funds affected
- ☐ Substantial economic impact ( $\geq$  \$1,000,000)
- ☐ Approved by OSBM
- ☒ No fiscal note required

## SUBCHAPTER 48B - TYPES OF LICENSES

### 21 NCAC 48B .0102 LICENSES BY ENDORSEMENT

(a) Endorsement. Each application for endorsement shall be considered on an individual basis.

(b) Examination Required. Only those persons initially licensed in another state by virtue of examination shall be considered for endorsement. Only the following examinations shall be considered:

(1) For Physical Therapists:

- (A) Therapists licensed on the basis of a PT exam shall present total scores that meet the North Carolina passing level as set forth in 21 NCAC 48D .0105. .0105, in a format approved by the Board. If scores and information are not available from the other state, the applicant shall have the scores issued through the testing agency. If scores are no longer available or destroyed, the Board shall accept a notarized copy of exam scores from another state. If the total score on the examination is unsatisfactory, the exam shall be repeated. The cost of the examination shall be paid by the applicant.
- (B) If licensed in another state by an examination compiled by that Board, the applicant shall supply information for the Board to attempt to obtain the examination in order to determine if it meets the requirements set forth in 21 NCAC 48D .0105. If it cannot be determined that the examination was equal to the North Carolina examination or if the scores received on an acceptable examination did not meet the North Carolina passing requirement, the applicant shall take the PT exam. The cost of the examination shall be paid by the applicant.
- (C) A physical therapist currently licensed in another state whose license in that state was granted on the basis of the American Registry of Physical Therapists Examination shall be considered for endorsement.

- (2) For Physical Therapist Assistants: Only those physical therapist assistants licensed in another state by a PTA exam shall be considered for endorsement. The examination score shall meet the North Carolina passing level as set forth in 21 NCAC 48D .0105. If not, the applicant shall be required to take the PTA exam and pay the cost of the examination.
- (c) Active License. An applicant for licensure by endorsement shall submit verification of licensure in effect on the date the application for North Carolina licensure was filed with the Board in accordance with 21 NCAC 48E .0105.
- d) Jurisprudence Exercise. All applicants for licensure by endorsement shall furnish proof of completion of the Jurisprudence Exercise 1 as set forth in 21 NCAC 48G .0105(7).

*History Note:* Authority G.S. 90-270.92; 90-270.98(b); 90-270.100;  
Eff. February 1, 1976;  
Readopted Eff. September 30, 1977;  
Amended Eff. August 1, 1998; February 1, 1996; November 1, 1991; December 1, 1990;  
October 1, 1989; April 1, 1989;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 1, 2018;  
Amended Eff. August 1, 2022; May 1, 2020.

## SUBCHAPTER 48E - APPLICATION FOR LICENSURE

### SECTION .0100 - REQUIREMENTS

#### 21 NCAC 48E .0104 EXAMINATION SCORES

~~Persons seeking licensure by endorsement shall have their examination scores sent to the executive director on a form authenticated by the reporting Board.~~

*History Note:* Authority G.S. 90-270.92; 90-270.98(b);  
Eff. February 1, 1976;  
Readopted Eff. September 30, 1977;  
Amended Eff. July 1, 2013; August 1, 1998; February 1, 1996; October 1, 1989; April 1, 1989; May 1, 1988;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 1, ~~2018~~; 2018;  
Repealed Eff. August 1, 2022.

## SUBCHAPTER 48F - CERTIFICATES: FEES: INVESTIGATIONS: RECORD OF LICENSEES

### SECTION .0100 - CERTIFICATES: FEES: INVESTIGATIONS: RECORD OF LICENSEES

#### 21 NCAC 48F .0101 LICENSURE CERTIFICATE

(a) Names:

- (1) A licensee's name will appear on the certificate as the name of the individual at the time of licensure, except in the case of a person taking the examination who is married during the time between the examination and the actual date of licensure. This person may elect to use her maiden name or her married name, if the marriage takes place prior to the date of licensure.
- (2) If a name is changed after the date of licensure, the licensee may request a new certificate to reflect the name change and pay the cost for a duplicate certificate.
- (3) The licensee shall use the name that is on the license certificate in the workplace.

(b) Date. The date of licensure shall be the day on which the person is given final approval of licensure by the Board.

(c) Replacements. Persons needing a replacement or a duplicate copy of a certificate will be charged a fee for it.

*History Note:* Authority G.S. 90-270.92; 90-270.98; 90-270.100;  
Eff. February 1, 1976;  
Readopted Eff. September 30, 1977;  
Amended Eff. May 1, 1988; December 30, 1985; October 28, 1979;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 1, ~~2018~~; 2018;  
Amended Eff. August 1, 2022.

#### 21 NCAC 48F .0103 INVESTIGATIONS

~~Any complaint alleging violations of the North Carolina Physical Therapy Practice Act must be made in writing, signed by the person submitting the complaint, and include the complainant's address and telephone number. Complaints must be sent to the Executive Director.~~

*History Note:* Authority G.S. 90-270.92; 90-270.102; 90-270.103;  
Eff. February 1, 1976;  
Readopted Eff. September 30, 1977;  
Amended Eff. December 1, 2006; February 1, 1996; May 1, 1988; October 28, 1979;  
Readopted Eff. May 1, ~~2019~~; 2019;



## SUBCHAPTER 48G - RETENTION OF LICENSE

### SECTION .0400 - FINAL APPROVAL AND ENFORCEMENT

#### 21 NCAC 48G .0105 DEFINITIONS

As used in this Subchapter, the following definitions apply:

- (1) "Approved provider" means an entity that has been approved by the Board to provide continuing competence activities for licensees as provided in the rules in this Section.
- (2) "Clinical Practice" means physical therapy consultation or patient care or client management or the supervision thereof.
- (3) "Contact Hour" means at least ~~50~~ 60 consecutive minutes of engagement in a continuing competence activity. 0.5 contact hour means at least 30 consecutive minutes of engagement in a continuing competence activity. Two segments of at least 25 consecutive minutes each is equivalent to one contact hour. Breaks and meals are not included in contact hours.
- (4) "Continuing Competence" means the licensee's ongoing activities to augment knowledge, skills, behaviors, and abilities related to the practice of physical therapy.
- (5) "Continuing Education" means courses of study designed to provide learning experiences for physical therapy licensees.
- (6) "Documentation" means evidence of completion of continuing competence activities.
- (7) "Jurisprudence Exercise" is an online set of questions concerning the Physical Therapy Practice Act, Board rules and Position Statements posted on the Board's website at <http://www.ncptboard.org>.
- (8) "Licensee" means a physical therapist or physical therapist assistant licensed in North Carolina.
- (9) "Peer-reviewed" means judged by an independent panel of experts having special knowledge or skills in a particular field of study.
- (10) "Point" means a unit of continuing competence.
- (11) "Registered" means enrollment in a continuing competence activity.
- (12) "Reporting period" means a 25 month period commencing on January 1 during which the licensee must complete all continuing competence requirements. Points earned by a licensee may be counted toward completion during one reporting period only.

*History Note:* Authority G.S. 90-270.92;  
Eff. January 1, 2009;  
Amended Eff. January 1, 2014;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 1, ~~2018~~; 2018;  
Amended Eff. August 1, 2022.

### SECTION .0200 - LAPSED LICENSES

#### 21 NCAC 48G .0203 REVIVAL OF LAPSED LICENSE

- (a) A license that has been lapsed less than one year may be revived by payment of the revival of lapsed license fee and the current year's renewal fee and by completion of the revival form.
- (b) A license that has lapsed more than one year but less than five years may be revived by completion of the revival form, and:
  - (1) completing 30 units (if reviving a physical therapist license) or 20 units (if reviving a physical therapist assistant license) of continuing competence as provided in the rules in this Subchapter;
  - (2) payment of the revival of lapsed license fee; and
  - (3) payment of the current year's renewal fee.
- (c) A license that has lapsed more than five years may be revived by completion of the application forms; and
  - (1) passing the "PT exam" (if trained as a physical therapist) or the "PTA exam" (if trained as a physical therapist assistant);
  - (2) compiling at least 500 hours within the period of one year in the following manner: between 50 and 200 class hours of course work (ie, refresher course, continuing education, pertinent college courses) approved by the Board as designed to demonstrate proficiency in current physical therapy theory and practice, and the remaining hours working as an aide under the supervision of a licensed physical therapist; or
- ~~(d)(3) endorsement~~ Endorsement of a current license in another state as provided by 21 NCAC 48B .0102.

*History Note:* Authority G.S. 90-270.92; 90-270.99; 90-270.100;  
Eff. February 1, 1976;  
Readopted Eff. September 30, 1977;  
Amended Eff. January 1, 2009; August 1, 1998; August 1, 1991; October 1, 1989; April 1, 1989; May 1, 1988;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 1, ~~2018~~;  
2018;  
Amended Eff. August 1, 2022.

## SECTION .0500 - CONTESTED CASE HEARINGS

### 21 NCAC 48G .0504 COMPLAINTS AND INVESTIGATIONS

- (a) In order to file a complaint with the Board, Board alleging violations of the North Carolina Physical Therapy Practice Act, the following information shall be submitted to the Board in writing, or by filing a complaint online at the Board's website [www.ncptboard.org](http://www.ncptboard.org).
- (1) the name and address of person alleged to have violated the Physical Therapy Practice Act;
  - (2) a statement of conduct that is the basis of the complaint; and
  - (3) the name, address, signature and telephone number of complainant.
- (b) Upon receipt of a written complaint alleging misconduct that may subject a licensee to disciplinary action, or upon the receipt of the information that a violation of the Physical Therapy Practice Act may have occurred, the Board shall investigate the matter to determine whether probable cause exists to institute disciplinary proceedings.
- (c) The Executive Director of the Board and a member appointed by the Chair shall serve as an investigative committee. This investigative committee may be assisted by:
- (1) the Board's attorney;
  - (2) an investigator; or
  - (3) a consultant, who is not a NC PT/PTA licensee, retained by the investigative committee who possesses expertise that will assist the investigative committee in its investigation.
- (d) The investigative committee shall investigate the complaint or information set forth in Paragraphs (a) and (b) of this Rule. In conducting its investigation, the Board Chair (or Executive Director, if designated by the Chair) may issue subpoenas in the investigative committee's name for the production of documents pursuant to the provisions of Rule .0512 of this Section. The investigative committee shall determine whether there is probable cause to believe that the licensee has violated any statute or Board rule that justifies a disciplinary hearing. If the investigative committee determines probable cause does not exist, the complaint shall be dismissed, and the complainant shall be notified of the investigative committee's action and its reasons. If the investigative committee determines that probable cause exists, the investigative committee shall offer to confer with the licensee in an attempt to settle the matter through informal means. If the investigative committee and the licensee reach an agreement on the disposition of the matter under investigation, the investigative committee shall cause to be drafted a proposed settlement agreement that shall include findings of fact, conclusions of law, and a consent order for presentation to and consideration by the Board. The settlement agreement shall be presented to and approved by the licensee before it is presented to the Board for consideration and approval.
- (e) Prior to a decision rendered by the Board, any materials generated or obtained by the Board in conducting an investigation shall be considered confidential investigation records not subject to the Public Records Act, G.S. 132. However, copies of the materials may be provided to a licensee subject to disciplinary action, or to the licensee's attorney, so long as identifying information concerning the treatment or delivery of professional services to a patient who has not consented to its public disclosure shall be redacted.
- (f) If the investigative committee and the licensee are not able to settle the matter under investigation by informal means, the licensee may request a contested case hearing pursuant to Rule .0502 of this Section or the Board shall give notice of a disciplinary or contested case hearing.
- (g) If probable cause is found, but it is determined that license suspension or revocation is not warranted, the investigative committee shall recommend that the Board place the licensee on probation, or issue a warning to the licensee. In making this determination, the investigative committee shall consider such factors as harm to the public; nature of the conduct; and prior record of discipline. The investigative committee shall mail or email a copy of its recommendation to the licensee or the licensee's attorney.
- (h) Within 20 days after receipt of the recommendation, the licensee may refuse the probation or warning and request a contested case hearing pursuant to this Rule. The refusal and request shall be filed with the Board. The legal counsel for the Board shall thereafter prepare, file, and serve a Notice of Hearing.
- (i) In the alternative, within 20 days after receipt of the recommendation, the licensee may request an informal meeting with the Board to discuss the basis of the investigative committee's recommendation and present reasons why the Board should not follow the investigative committee's recommendation. There shall be no sworn testimony presented, nor shall there be a formal record of the proceedings.
- (j) If the licensee does not request a contested case hearing or an informal meeting with the Board, the Board shall still determine whether to accept the investigative committee's recommendation.
- (k) Participation by a current Board member in the investigation of a complaint shall disqualify that Board member from participating in the decision making process of a contested case hearing.
- (l) Subsequent to the issuance of a notice of hearing, the attorney prosecuting the contested case for the Board may not communicate, directly or indirectly, in connection with any issue of fact or question of law, with any party, including the members of the Board assigned to make a decision or to make findings of fact and conclusions of law in the contested case, except on notice and opportunity for all parties to participate. However, the attorney prosecuting the matter for the Board may continue to communicate concerning the contested case with the members of the investigative committee who investigated the matter, with persons not parties to the contested case who may be called as witnesses including the person who filed the complaint, and with the Board members about other matters.

*History Note:* Authority G.S. 90-270.92; 150B-38; 150B-39; 150B-40;  
Eff. October 1, 1995;  
Amended Eff. February 1, 2015; July 1, 2013; August 1, 2002; August 1, 1998; February 1, 1996;  
Readopted Eff. May 1, 2018;  
Amended Eff. August 1, 2022; May 1, 2020.

**NORTH CAROLINA BOARD OF PHYSICAL THERAPY EXAMINERS – effective 10-31-2022**

**BOARD MEMBERS**

Teresa F. Hale, PT, Chair Term Expires: 2023	112 Scarlet Bell Drive Youngsville, NC 27596 C: 919-880-1596 Email: thale@alliedrehab.net
C. David Edwards, PT, Secretary/Treasurer Term expires: 2023	508 Westminster Circle Greenville, NC 27858 C: 252-902-7061 Email: davidedwards@kineticptgreenville.com
Dr. Paul Garcia, Physician Member Term expires: 2022	140 Sabre Point Drive Bath, NC 27808 W: 866-998-2597, C: 252-714-2772 New work location: Trillium Health Resources – LME/MCO; Medical Director, Utilization Management Email: paulgarciamd@hotmail.com
Rosa Maria Gonzalez, BSN, RN, Public Member Term expires: 2022	253 Linden Ave. SW Concord, NC 28028 P: 704-493-2525 Email: rosa.gonzalez@atriumhealth.org
Jamie L. Miner, PT Term expires: 2022	8001 Netherlands Drive Raleigh, NC 27606 C: 678/521-1620 Email: minerjlc@gmail.com
Leslie P. Kesler, PT Term expires: 2024	3101 Durbin Court Wilmington, NC 28409 H: 910-799-0087 W: 910-667-5619 C: 910-465-2130 Fax: 910-342-3232 Email: Leslie.Kesler@nhrmc.org
Megan L. Wentz, PTA Term expires: 2024	204 Willow Ridge Drive Holly Ridge, NC 28445 C: 330-357-9550 Email: mbrosius6@yahoo.com
Stephanie M. Bernard, PTA Term expires: 2024	571 Fieldtrial Circle Garner, NC 27529 C: 919-604-2206 Email: stephaniea87@gmail.com

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**Effective – August 31, 2022**

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**NORTH CAROLINA BOARD OF  
PHYSICAL THERAPY EXAMINERS**

**FINANCIAL STATEMENTS**

**JUNE 30, 2022**

NORTH CAROLINA BOARD OF PHYSICAL THERAPY EXAMINERS

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JUNE 30, 2022

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### Independent Auditors' Report

Members of the Board  
North Carolina Board of Physical Therapy Examiners  
Durham, North Carolina

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the North Carolina Board of Physical Therapy Examiners, an enterprise fund of the State of North Carolina, as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from 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, 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 opinions.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the North Carolina Board of Physical Therapy Examiners as of June 30, 2021, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### Emphasis of Matter

As discussed in Note A, the financial statements present only the North Carolina Board of Physical Therapy Examiners and do not purport to, and do not present fairly the financial position of the State of North Carolina, as of June 30, 2021, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### Change in Accounting Principle

As discussed in Note C to the financial statements, the Board implemented GASB 87 - Leases. Under this pronouncement a lessee recognizes a lease liability and an intangible right-to-use lease asset. Our opinion is not modified with respect to this matter.

### Other Matters

#### *Required Supplementary Information Management's Discussion and Analysis*

Accounting principles generally accepted in the United States of America require that *management's discussion and analysis* on pages 3-5 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. 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.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2022 on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of those reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

Durham, North Carolina  
October 17, 2022

*Garrett, Dodd & Associates, Ltd.*



# NORTH CAROLINA BOARD OF PHYSICAL THERAPY EXAMINERS

## Management's Discussion and Analysis

### Introduction

The following discussion and analysis provides an overview to assist the reader in interpreting and understanding the accompanying basic financial statement. This overview includes a comparative financial analysis with discussion of significant changes from the prior year, as well as a discussion of currently known facts, decisions, and conditions. This information is provided by the North Carolina Board of Physical Therapy Examiners (NCBPTE).

### Overview of the Basic Financial Statements

The Statement of Net Position provides information relative to the Board's assets, liabilities, and the resulting net position as of the last day of the fiscal year (June 30, 2022). Assets and liabilities on this statement are categorized as either current or noncurrent. Current assets are those that are available to pay for expenses in the next fiscal year. Current liabilities are those payables in the next fiscal year. Net position on this statement is categorized as either invested in capital assets or unrestricted. Overall, the Statement of Net Position provides information relative to the financial strength of the Board and its ability to meet current and long-term obligations.

The Statement of Revenues, Expenses, and Changes in Net Position provides information relative to the results of the Board's operations, non-operating activities, and other activities affecting net position that occurred during the fiscal year. Operating activities include the issuance of licenses, permits and privileges and licensure renewal for the practice of physical therapy in the State. The Board does require disciplined licensees to reimburse the Board the "costs of investigation". Non-operating activity includes interest income. Overall, the Statement of Revenues, Expenses, and Changes in Net Position provides information relative to the Board's management of its operations and its ability to maintain its financial strength.

The Statement of Cash Flows provides information relative to the Board's sources and uses of cash funds for operating activities. The statement provides a reconciliation of beginning cash balances to ending cash balances and is representative of activity reflected on the Statement of Revenues, Expenses, and Changes in Net Position.

The Statements described above are the basic financial statements required by the Governmental Accounting Standards Board (GASB) accounting principles. In accordance with GASB, the financial statements are presented on the Board as a whole and use reporting concepts in a manner similar to that required of a business enterprise. The financial statement balances reported are presented in a classified format to aid the reader in understanding the nature of the financial statement balances.

## NORTH CAROLINA BOARD OF PHYSICAL THERAPY EXAMINERS

### Management's Discussion and Analysis

In using the basic financial statements, the Notes to the Financial Statements should be read in conjunction with the basic financial statements. The Notes to the Financial Statements provide information relative to the significant accounting principles applied in the basic financial statements, authority for and associated risk of deposits, detailed information on capital assets, capitalized lease and noncurrent liabilities, revenues and expenses, required information on pension plans, insurance against losses, commitments and contingencies, accounting changes, and if necessary a discussion of adjustments to prior periods and events subsequent to the Board's financial statement period. Overall, the Notes to the Financial Statements provide information to better understand details, risks, and uncertainties associated with amounts reported in the basic financial statements.

### Brief Agency Highlights

At the end of the fiscal year ending June 30, 2022, the Board had an operating income of \$130,258, a decrease from 2021 of \$304,231.

Operating Expenses increased by \$ 220,143 from June 30, 2021 to June 30, 2022. To continue modernization efforts in fiscal year 2022, Board expenses increased due primarily to hiring one (1) additional IT staff and one (1) additional Board administrative staff. The administrative staff was added due to a retirement during the year. In addition, the Board adopted GASB 87 Leases resulting in recognition of \$20K right to use asset amortization higher than rent expense from the prior year. The Board did a complete inventory during the year which resulted in the recognition of a loss of \$22,492 and additional IT cost of \$6,973.

The Board has increased its investment in Certificates of Deposit, all within the limits of coverage by the FDIC.

The Board adopted GASB 87, Accounting for Long Term Leases. The Board has 2 long term leases, one for the office space and the other an office copier. It was determined through the use of a workbook provided by the State Controller's office that only the Office Lease falls under the new capitalization rules. The Board entered into a 10-year lease on September 1, 2018 through August 31, 2028. The lease has a 2.25% increase built into each year to cover all operating expenses: there are no variable expenses paid. GASB 87 requires restating the prior year Statement of Financial Position for the Lease Asset and Lease Payment Liability. The increase to both asset and liability balance as of 06/30/2021 was \$527,114.

Total assets increased from (restated for the Right to Use Lease Asset) of \$3,709,361 on June 30, 2021 to \$3,852,805 in the year ending June 30, 2022. The number of license renewals

NORTH CAROLINA BOARD OF PHYSICAL THERAPY EXAMINERS  
Management's Discussion and Analysis

continued to increase; there was a slight decrease in licensure applicants with a net result of an increase in fee income. This increase allows the Board to make significant updates to its technology infrastructure, transition from paper to electronic Board processes and provide staffing to serve an increasing licensee population and the public protection efforts. The Board did a complete inventory during the year; as a result the fixed asset balance was adjusted by \$(68,655) and the Accumulated Depreciation by \$41,802.

Current liabilities increased in 2022 from 2021 due to additional employees becoming eligible for vacation benefit accrual and the current portion of the lease liability established due to GASB 87. The restatement liabilities required by GASB 87 increased total liabilities by \$527,114. The long-term portion of lease liability is \$410,986 on June 30, 2022 after recognition of principle payment of \$55,234 in the current year.

Net position consists of amounts invested in non-current assets of \$107,501 and \$515,167 for June 30, 2021 and June 30, 2022 respectively, and unrestricted amounts of \$2,963,215 and \$2,669,265 respectively. The decrease in net position from June 30, 2021 to June 30, 2022 is due to the adoption of GASB 87 resulting in an increase in noncurrent assets, partially offset by earnings in 2022.

Operating revenues increased by \$46,170 from June 30, 2021 to June 30, 2022 primarily due to an increase in the numbers of licensees paying renewal fees.

### Comparative Financial Highlights

Year End	June 30, 2021	June 30, 2022
Current Assets	\$3,074,747	\$3,337,638
Capital Assets-Net	107,501	53,355
Lease Payment Asset	527,114	451,812
Total Assets	3,709,361	3,852,805
Current Liabilities	83,934	222,497
Long-term Liabilities	554,712	445,876
Total Liabilities	638,646	668,373
Net Position - Unrestricted	2,963,215	2,669,265
Operating Revenue	1,923,184	1,969,354
Operating Expenses	1,618,953	1,839,096
Operating Income (Loss)	304,231	130,258
Change in Net Position	317,691	113,716

If you have any questions about this report or need additional information, contact:

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NORTH CAROLINA BOARD OF PHYSICAL THERAPY EXAMINERS  
STATEMENT OF NET POSITION  
ENTERPRISE FUND  
JUNE 30, 2022

ASSETS

Current Assets:

Cash and cash equivalents (Note B)	\$ 688,055
Certificates of deposit (at cost) (Note B)	2,624,102
Prepaid expenses	<u>25,481</u>
Total Current Assets	3,337,638

Noncurrent Assets:

Capital assets, net of accumulated depreciation (Note C)	63,355
Right to use lease asset, net of accumulated amortization (Note C)	<u>451,812</u>
Total Noncurrent Assets	<u>515,167</u>
Total Assets	<u>3,852,805</u>

LIABILITIES

Current Liabilities:

Accounts payable	76,551
Accrued vacation (Note D)	85,052
Lease liability (Note C)	<u>60,894</u>
Total Current Liabilities	222,497

Long-Term Liabilities:

Accrued vacation (Note D)	34,890
Lease liability (Note C)	<u>410,986</u>
Total Liabilities Long-term	<u>445,876</u>
Total Liabilities	<u>668,373</u>

NET POSITION

Invested in noncurrent assets	515,167
Unrestricted (Note G)	<u>2,669,265</u>
Total Net Position	<u>\$3,184,432</u>

See Independent Auditors' Report and Notes to Financial Statements

NORTH CAROLINA BOARD OF PHYSICAL THERAPY EXAMINERS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
ENTERPRISE FUND (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2022

OPERATING REVENUES

Charges for services:	
Revenue from licenses	\$ 1,821,439
License verification	26,727
Credit card processing fees	71,074
Background check fees collected	46,099
Disciplinary reimbursements	1,379
Other revenues	2,636
Total operating revenues	<u>1,969,354</u>

OPERATING EXPENSES

Staff salaries	856,112
Payroll tax expense	62,755
Retirement contributions	46,827
Group insurance	153,124
Consulting and contract labor	219,392
Other personnel costs	11,429
Total personnel expenses	<u>1,349,639</u>

Board per diem	6,631
Travel	3,304
Subsistence	3,159
Other	244
Total board expenses	<u>13,338</u>

North Carolina health professionals	
Program	7,500
Accounting	16,240
Legal	84,740
Total professional fees	<u>108,480</u>

Investigations expense	20,924
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Information technology expenses	70,384
---------------------------------	--------

Licensing	43,510
-----------	--------

Other expenses	
Credit card fees	80,934
Lease Interest	27,436
Property and liability insurance	15,765
Copying and printing	6,782
Depreciation and amortization	83,008
Equipment maintenance	4,408
Office supplies, postage, other	14,488
Total other expenses	<u>232,821</u>
Total operating expenses	<u>1,839,096</u>
Operating income	<u>\$ 130,258</u>

See Independent Auditors' Report and Notes to Financial Statements

NORTH CAROLINA BOARD OF PHYSICAL THERAPY EXAMINERS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
ENTERPRISE FUND (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2022

NONOPERATING REVENUES (EXPENSES):

Interest income	\$ 5,950
Loss on disposal of capital assets	<u>(22,492)</u>
	<u>(16,542)</u>
 Change in net position	 113,716
 Net position June 30, 2021	 <u>3,070,716</u>
 Net position June 30, 2022	 <u>\$ 3,184,432</u>

See Independent Auditors' Report and Notes to Financial Statements

NORTH CAROLINA BOARD OF PHYSICAL THERAPY EXAMINERS  
STATEMENT OF CASH FLOWS  
ENTERPRISE FUND  
FOR THE YEAR ENDED JUNE 30, 2022

Cash flows from operating activities:	
Cash received from licensees and applicants	\$ 1,821,439
Cash received from others	147,915
Cash paid to employees and professionals	(953,102)
Cash paid to suppliers	<u>(226,556)</u>
Net cash flows provided by operating activities	<u>789,696</u>
Cash flows from capital and related financing activities	
Acquisition of capital assets	(23,991)
Acquisition of right to use asset	<u>(527,114)</u>
Net cash flows used by financing activities	<u>(551,105)</u>
Cash flows from investing activities	
Receipt of interest income	5,950
Increase in certificates of deposit	<u>(248,033)</u>
Net cash flows used by investing activities	<u>(242,083)</u>
Net change in cash and cash equivalents	(3,492)
Cash and cash equivalents - June 30, 2021	<u>691,547</u>
Cash and cash equivalents - June 30, 2022	<u>\$ 688,055</u>
Reconciliation of operating income to net cash flows provided by operating activities	
Operating income	\$ 130,258
Adjustments to reconcile operating income to net cash provided	
by operating activities:	
Depreciation	45,622
Amortization - right to use asset	75,302
Changes in assets and liabilities:	
(Increase) in prepaid expenses	(18,350)
Increase in lease liability	471,880
Increase in accounts payable - trade	73,494
Increase in accrued vacation	<u>11,490</u>
Net cash provided by operating activities	<u>\$ 789,696</u>

See Independent Auditors' Report and Notes to Financial Statements



NORTH CAROLINA BOARD OF PHYSICAL  
THERAPY EXAMINERS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Board was established by the North Carolina General Assembly as an occupational licensing board to maintain standards for the practice of physical therapy in North Carolina.

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 Annual Comprehensive Financial Report (ACFR). 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 statement of net position reflects all assets including long-term assets, and all obligations including long-term obligations.

The statement of revenues, expenses and changes in net position presents a comparison between direct expenses and program revenues of the Board. Primary revenues include fees and other charges paid by the recipients of services.

NORTH CAROLINA BOARD OF PHYSICAL  
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NOTE A (CONTINUED)

Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, the Board's accounts are maintained during the year using the modified accrual basis of accounting. However, at year-end, financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when cash flows take place.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash Equivalents

The Board considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Capital Assets

Capital assets are defined by the Board as assets with an initial individual cost of \$500 or more and an estimated useful life of more than two years. Purchased assets are reported at cost. The cost of normal maintenance and repairs that do not add to the value of an asset or materially extend asset lives are expensed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

NORTH CAROLINA BOARD OF PHYSICAL  
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JUNE 30, 2022

NOTE A (CONTINUED)

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Furniture and equipment	5-10 years
Computer equipment	3 year

Right to Use Lease Assets

The Board has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related leases.

Lease Liability

Because the lease of its office space qualifies as other than a short-term lease under GASB 87, they have been recorded as lease liability at the present value of future minimum lease payments as of the date of implementation of GASB 87, July 1, 2021

Accrued Vacation

The vacation leave policy of the Board provides for accumulation of earned vacation leave with such leave being fully vested when earned. Because vacation leave is payable to employees at termination, a liability for the outstanding balances has been recorded. That portion of accrued vacation that is estimated to be used in the next fiscal year has been designated as a current liability in the financial statements (first-in, first-out method of using accumulated time).

Net Position

Net positions in the financial statements are classified as invested in capital and right to use assets and unrestricted.

NORTH CAROLINA BOARD OF PHYSICAL  
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JUNE 30, 2022

NOTE B DEPOSITS AND INVESTMENTS

The Board maintains cash balances, money market accounts and certificates of deposit at various financial institutions. Certificates of deposit have a book and market value of \$2,624,102 at June 30, 2022. Certificates of deposit have varying interest rates and staggered maturities over the next 12 months.

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Board's deposits may not be returned to it. As of June 30, 2022, the Board's deposits of \$3,312,157 were exposed to custodial credit risk as follows:

Uninsured and uncollateralized - \$0

NOTE C NONCURRENT ASSETS

Changes in capital assets for the year ended June 30, 2022 were as follows:

	ASSET			
	June 30, 2021	Additions	Retirements	June 30, 2022
Furniture	\$ 56,015	\$ -	\$ -	\$ 56,015
Equipment	6,208	-	-	6,208
Computer Equipment	<u>232,543</u>	<u>23,991</u>	<u>72,028</u>	<u>184,506</u>
	<u>\$294,766</u>	<u>\$ 23,991</u>	<u>\$72,028</u>	<u>\$246,729</u>

NORTH CAROLINA BOARD OF PHYSICAL  
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JUNE 30, 2022

NOTE C (CONTINUED)

ACCUMULATED DEPRECIATION

	June 30, <u>2021</u>	Current <u>Expense</u>	<u>Retirements</u>	June 30, <u>2022</u>
Furniture	\$ 33,421	\$ 7,018	\$ -	\$ 40,439
Equipment	5,520	688	-	6,208
Computer Equipment	<u>148,324</u>	<u>37,916</u>	<u>(49,513)</u>	<u>136,727</u>
	<u>\$ 187,265</u>	<u>\$45,622</u>	<u>\$(49,513)</u>	<u>\$183,374</u>
Capital Asset Net of Depreciation	<u>\$ 107,501</u>			<u>\$ 63,355</u>

Change in right to use lease assets:

ASSET

	June 30, <u>2021</u>	<u>Additions</u>	<u>Retirements</u>	June 30, <u>2022</u>
Office space	-	<u>\$527,114</u>	-	<u>\$527,114</u>

ACCUMULATED AMORTIZATION

	June 30, <u>2021</u>	<u>Additions</u>	<u>Retirements</u>	June 30, <u>2022</u>
Office space	-	<u>\$ 75,302</u>	-	<u>\$ 75,302</u>
Right to Use Asset Net of Amortizations				<u>\$ 451,812</u>

NORTH CAROLINA BOARD OF PHYSICAL  
THERAPY EXAMINERS  
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JUNE 30, 2022

NOTE D ACCRUED VACATION

The changes in accrued vacation are as follows:

	<u>June 30,</u> <u>2021</u>	<u>Additions</u>	<u>Used</u>	<u>June 30,</u> <u>2022</u>
Amount	\$108,452	\$30,272	\$(18,782)	\$119,942

The amount representing the current portion of vacation leave is \$85,052.

NOTE E RETIREMENT PLAN

The North Carolina Licensing Boards Retirement Plan is a multiple-employer, cost-sharing defined contribution plan. Participating employees must contribute 6% of their gross pay and the board matches those contributions 100%. Employee's contributions are 100% vested; the Board's matching contributions are 100% vested after 5 years of credited service. The Board contributed a 6% matching share (\$46,827) on behalf of its employees.

NOTE F LEASE LIABILITY

The office lease commenced September 1, 2018 and expires August 31, 2028. Rents increase annually over the 10 year term. The lease liability is measured at a discount rate of 6% which is deemed to be the Board's incremental borrowing rate. As a result of this lease the Board has recorded a right to use asset at \$527,114.

The future minimum lease payment schedule is as follows:

<u>Year</u> <u>Ending</u> <u>June 30,</u>	<u>Rent</u> <u>Payment</u>	<u>Interest</u> <u>Expense</u>	<u>Reduction</u> <u>of</u> <u>Liability</u>	<u>Lease</u> <u>Liability</u>
Beginning				\$527,114
2022	\$82,670	\$27,436	\$55,234	471,880

NORTH CAROLINA BOARD OF PHYSICAL  
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JUNE 30, 2022

NOTE F (CONTINUED)

Year Ending June 30,	Rent Payment	Interest Expense	Reduction of Liability	Lease Liability
2023	\$ 87,570	\$ 26,676	\$ 60,894	\$410,986
2024	90,052	22,839	67,213	343,773
2025	92,074	18,634	73,440	270,333
2026	94,152	14,052	80,100	190,233
2027-2029	<u>202,937</u>	<u>12,704</u>	<u>190,233</u>	-
	<u>\$649,455</u>	<u>\$122,341</u>	<u>\$527,114</u>	

NOTE G NET POSITION

The Board has assigned portions of its unrestricted net position for the following purposes:

Designated

Reserve for prepaid expenses	\$ 25,481
Information technology reserve	300,000
Replacement of property & equipment	200,000
Continuing education	50,000
Unanticipated investigations	200,000
Unanticipated litigation costs	1,250,000
Payroll reserve	<u>600,000</u>
	<u>2,625,481</u>

Undesignated

<u>43,784</u>
<u>\$2,669,265</u>

NOTE H SUBSEQUENT EVENTS

The Board has evaluated subsequent events through October 17, 2022, the date which the financial statements were available to be issued.

NORTH CAROLINA BOARD OF PHYSICAL  
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JUNE 30, 2022

NOTE I NORTH CAROLINA LEGISLATIVE STATUTORY REQUIREMENT  
CONCERNING AUDIT FEES

This audit required 60 hours at a cost of \$10,000.





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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To The Board of Directors  
North Carolina Board of Physical Therapy Examiners  
Durham, North Carolina

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the North Carolina Board of Physical Therapy Examiners (Board) as of and for the year ended June 30, 2021 and the related notes to the financial statements and have issued our report thereon dated October 17, 2022.

The financial statements present only the North Carolina Board of Physical Therapy Examiners and do not support to and do not present fairly the financial position of the State of North Carolina, as of June 30, 2022, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Board's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material* weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**GARRETT, DODD & ASSOCIATES, LTD.**

*Garrett, Dodd & Associates, Ltd.*

Durham, North Carolina  
October 17, 2022