

NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS

Financial Statements

Years Ended December 31, 2022 and 2021

**North Carolina Board of Athletic Trainer Examiners
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Independent Auditors' Report

Board of Directors
North Carolina Board of Athletic Trainer Examiners
Raleigh, North Carolina

Opinion

We have audited the accompanying financial statements of the North Carolina Board of Athletic Trainer Examiners (the Board), which comprise the statement of net position as of December 31, 2022, and the related statement of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Board as of December 31, 2022, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Prior Period Financial Statements

The financial statements of North Carolina Board of Athletic Trainer Examiners as of December 31, 2021 were audited by other auditors whose report dated April 22, 2022 expressed an unmodified opinion on those statements.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' 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.

Responsibilities of Management for the Financial Statements

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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' 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 generally accepted auditing standards 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 generally accepted auditing standards, 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.

Other Matters

Required Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The management's discussion and analysis on pages 1-2 is presented for purposes of additional analysis and is not a required part of the 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 the 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 inquires 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 any assurance.

RH CPA_s, PLLC

Greensboro, North Carolina
July 6, 2023

**North Carolina Board of Athletic Trainer Examiners
Management's Discussion and Analysis
December 31, 2022**

The following is a discussion and analysis of the Board's financial performance for the fiscal year ended December 31, 2022. This information should be read in conjunction with the audited financial statements included in this report.

Financial Highlights

- The operating revenues of the Board decreased by \$7,905 or 4.34%. A review of the activity for the year found a decreases in license fees and late license renewal.
- The non-operating revenues of the Board decreased \$3,625 or 33.95%, due to a significant decrease in certificate deposit interest.
- The operating expenses of the Board decreased by \$6,315 or 5.42%, which was due to a significant decrease in attorney fees.

Overview of the Basic Financial Statements

The financial report consists of three sections:

- *Management's Discussion and Analysis (required supplementary information)*
- *Independent Auditors' Report*
- *Basic Financial Statements*

The Board has no other supplementary information required by the Governmental Accounting Standards Board (GASB) Statement No. 34. The financial statements also include notes to the financial statements that provide detail of the information included in the financial statements.

Basic Financial Statements

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

The Statements of Net Position present the current and long-term portions of assets and liabilities separately.

The Statements of Revenues, Expenses, and Changes in Net Position present information on how the Board's assets changed as a result of its operations.

The Statements of Cash Flows present information on how the Board's cash changed as a result of its financial activities.

Basic Financial Statements (Continued)

The following presents condensed financial information on the operations of the Board:

	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>Amount of Change</u>
Current Assets	\$ 762,117	\$ 680,608	\$ 81,509
Total Assets	<u>\$ 762,117</u>	<u>\$ 680,608</u>	<u>\$ 81,509</u>
Current Liabilities	\$ 16,040	\$ 16,040	\$ -
Total Liabilities	<u>\$ 16,040</u>	<u>\$ 16,040</u>	<u>\$ -</u>
Unrestricted net position	\$ 689,600	\$ 618,468	\$ 71,132
Total Net position	<u>\$ 689,600</u>	<u>\$ 618,468</u>	<u>\$ 71,132</u>
Operating revenues	\$ 174,195	\$ 182,100	\$ (7,905)
Nonoperating revenues	7,052	10,677	(3,625)
Operating expenses	<u>(110,115)</u>	<u>(116,430)</u>	<u>6,315</u>
Change in net position	<u>\$ 71,132</u>	<u>\$ 76,347</u>	<u>\$ (5,215)</u>

Events Affecting Future Operations

A committee appointed by the North Carolina Legislature, The Joint Legislative Administrative Procedure Oversight Committee, has been performing a study concerning the deregulation, elimination and consolidation of occupational licensing boards in the State of North Carolina. The effect of any resulting legislation on the Board's operations in future years is not certain at this time.

Contacting the Board's Management

This financial report is intended to provide a general overview of the Board's finances and to demonstrate the Board's accountability for the money it received and expends. If you have any questions about this report or need additional information, contact North Carolina Board of Athletic Trainer Examiners PO Box 10769 Raleigh, NC 27605

North Carolina Board of Athletic Trainer Examiners
Statements of Net Position
December 31, 2022 and 2021

ASSETS

	2022	Restated 2021
Current assets:		
Cash and cash equivalents	\$ 351,132	\$ 337,834
Certificates of deposit	407,137	339,262
Accrued interest receivable	3,848	3,512
Total assets	<u>\$ 762,117</u>	<u>\$ 680,608</u>

LIABILITIES AND NET POSITION

Current liabilities:		
Accounts payable	\$ 16,040	\$ 16,040
Total current liabilities	<u>16,040</u>	<u>16,040</u>
Non-current liabilities		
Deferred revenues	56,477	46,100
Total non-current liabilities	<u>56,477</u>	<u>46,100</u>
Total liabilities	<u>72,517</u>	<u>62,140</u>
Net position:		
Unrestricted	689,600	618,468
Total liabilities and net position	<u>\$ 762,117</u>	<u>\$ 680,608</u>

The accompanying notes to the financial statements are an integral part of these financial statements.

North Carolina Board of Athletic Trainer Examiners
Statements of Revenues, Expenses, and Changes in Net Position
December 31, 2022 and 2021

	2022	Restated 2021
Operating revenues:		
Program revenue	\$ 174,195	\$ 182,100
Total operating revenues	<u>174,195</u>	<u>182,100</u>
Operating expenses:		
General and administrative expenses	69,120	78,453
Postage	603	458
Supplies	369	395
Telephone	791	1,102
Web fees	1,742	1,537
Board reimbursement	3,304	900
Insurance expense	9,768	9,768
Board expense	489	-
Database expense	21,964	22,093
Storage	1,965	1,724
Total operating expenses	<u>110,115</u>	<u>116,430</u>
Operating income	<u>64,080</u>	<u>65,670</u>
Other income (expense):		
Interest income	7,052	10,677
Total other income	<u>7,052</u>	<u>10,677</u>
Change in net position	<u>71,132</u>	<u>76,347</u>
Total net position, beginning of year	<u>618,468</u>	<u>542,121</u>
Total net position, end of year	<u><u>\$ 689,600</u></u>	<u><u>\$ 618,468</u></u>

The accompanying notes to the financial statements are an integral part of these financial statements.

North Carolina Board of Athletic Trainer Examiners
Statements of Cash Flows
December 31, 2022 and 2021

	2022	Restated 2021
Cash flows from operating activities:		
Cash received from fee income	\$ 191,288	\$ 189,340
Cash paid for operating expenses	(116,495)	(116,430)
Net cash provided by operating activities	<u>74,793</u>	<u>72,910</u>
Cash flows from investing activities:		
Transfer of certificates of deposit	(61,495)	(5,541)
Net cash used in investing activities	<u>(61,495)</u>	<u>(5,541)</u>
Net increase in cash	13,298	67,369
Cash, beginning of year	<u>337,834</u>	<u>270,465</u>
Cash, end of year	<u><u>\$ 351,132</u></u>	<u><u>\$ 337,834</u></u>
Reconciliation of operating income to net cash flows used by operating activities:		
Operating expense	\$ 64,080	\$ 65,670
Adjustments to reconcile operating income to net cash from operating activities		
Cash (used by) provided from change in:		
Accrued interest income	336	3,337
Other current assets	-	1,816
Accounts payable	-	2,187
Deferred revenue	10,377	(100)
Net cash provided by operating activities	<u><u>\$ 74,793</u></u>	<u><u>\$ 72,910</u></u>

The accompanying notes to the financial statements are an integral part of these financial statements.

North Carolina Board of Athletic Trainer Examiners
Notes to the Financial Statements
December 31, 2022 and 2021

NOTE 1 – NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization:

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. The Board's essential governmental function is to protect the public by setting standards for qualifications, training, and experience for those who seek to represent themselves to the public as a certified/licensed athletic trainer examiner and by promoting high standards of professional performance for those engaged in the practice of athletic training. 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 Annual Comprehensive Financial Report (ACFR).

Basis of Presentation:

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

All activities of the Board are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) 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; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or the change in net assets is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

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 non-major 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 Accounting:

The financial statements have been prepared using the accrual basis of accounting. 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 the cash flows. The Board classifies its revenues and expenses as operating and non-operating in the accompanying statements of revenues, expenses, and changes in net position. Operating revenues include activities that have characteristics of exchange transactions and consist primarily of application and license renewal fees. Non-operating revenues include activities that have characteristics of non-exchange transactions and consist primarily of investing type activities.

North Carolina Board of Athletic Trainer Examiners
Notes to Financial Statements
December 31, 2022 and 2021

NOTE 1 – NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position:

All net positions of the Board are unrestricted. Net position consists of the following:

- a. 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 the restrictions imposed by external parties. As of December 31, 2022, the Board had no restricted net position.
- b. Unrestricted net position – This component of net position consists of net positions that do not meet the definition of restricted or invested in property and equipment.
- c. Net investment in capital assets – This component of net position consists of capital assets net of accumulated depreciation, and reduced by any related debt, if applicable. As of December 31, 2022, the Board has no investment in capital assets.

Cash and Cash Equivalents:

The Board considers all short-term investments with an original maturity of three months or less to be cash equivalents. The cash classification includes undeposited receipts, petty cash, and checking accounts. These funds are considered cash equivalents since they are immediately available for expenditures.

Certificates of Deposit:

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. Certificates of deposits are valued at amortized cost, which approximates their fair value.

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.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

North Carolina Board of Athletic Trainer Examiners
Notes to Financial Statements
December 31, 2022 and 2021

NOTE 2 – CONCENTRATIONS OF CREDIT RISK

The Board places its cash and cash equivalents on deposit with financial institutions in the United States. Combined deposits with a financial institution are insured up to \$250,000. The amount of deposits in excess of the Federal Deposit Insurance Corporation limit totaled \$46,353 and \$17,307, respectively, at December 31, 2022 and 2021. The Board has not adopted a formal policy regarding custodial credit risk for deposit.

NOTE 3 – INCOME TAXES

The Board was created pursuant to North Carolina General Statutes to carry out an essential government function; therefore, it is considered exempt from State and federal income tax laws under Internal Revenue Code Section 115, and is not required to file annual tax returns.

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. At the years ended December 31, 2022 and 2021 the Board had accounts payable balances of \$16,040 and \$16,040, respectively.

NOTE 5 – CONTRACTUAL MANAGEMENT SERVICES

The Board does not have any employees, and 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. For the years ended December 31, 2022 and 2021, management fees totaled \$38,290 and \$38,256, respectively.

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 state-administered risk programs and self-retention of certain risks. The Board protects itself from exposure to loss through the purchase of commercial insurance coverage. There have been no significant reductions in insurance coverage from the previous year, and settled claims have not exceeded coverage in any of the past three fiscal years.

NOTE 7 – CONTINGENCIES

The Board is involved in occasional disciplinary hearings throughout the year which arise in the ordinary course of its operations. In the opinion of management of the Board, the results of such actions during the year under audit do not materially affect the Board's operations, changes in financial position, or cash flows for the year herein ended.

North Carolina Board of Athletic Trainer Examiners
Notes to Financial Statements
December 31, 2022 and 2021

NOTE 8 – PRIOR PERIOD ADJUSTMENT

During the year ended December 31, 2022, management noted investment, and prepaid expenses balances were not appropriately classified and recorded in the books of accounts of the Board in prior year. Thus, necessary prior period adjustments were made in order to record and present these balances correctly and prior year financial statements were restated. The effect of these restatements are as follows:

	2021		
	As previously reported	Restatement	As restated
Balance Sheet			
Assets			
Certificate of deposit	\$ -	\$ 339,262	\$ 339,262
Investments	313,596	(313,596)	-
Accrued interest receivable	178	3,334	3,512
Prepaid expenses	11,667	(11,667)	-
Deferred charges	1,871	(1,871)	-
Impact on assets	<u>\$ 327,312</u>	<u>\$ 15,462</u>	<u>\$ 342,774</u>
 Impact on opening retained earnings at January 1, 2022	 <u>\$ 627,045</u>	 <u>\$ (8,577)</u>	 <u>\$ 618,468</u>

NOTE 8 – DATE OF BOARD’S REVIEW

The Board has evaluated events and transactions that occurred subsequent to July 6, 2023, which is the date the financial statements were available to be issued. There were no recognized subsequent events requiring disclosure.

NOTE 9 – NC LEGISLATIVE STATUTORY DISCLOSURE REQUIREMENT CONCERNING AUDIT FEES

The audit was conducted in approximately 80 hours at a cost of \$7,000.

July 6, 2023

Board of Directors and Management of
North Carolina Board of Athletic Trainer Examiners
Raleigh, North Carolina

We have audited the financial statements of the business-type activities of the North Carolina Board of Athletic Trainer Examiners (the Board) for the year ended December 31, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 6, 2023. Professional standards also require that we communicate to you the following information related to our audit. No new accounting policies were adopted and the application of existing policies was not changed during 2022. We noted no transactions entered into by the Board during the year for which there is a lack of authoritative guidance or consensus. All significant transaction have been recognized in the financial statements in the proper period.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by North Carolina Locksmith Licensing Board are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2022. We noted no transactions entered into by North Carolina Board of Athletic Trainer Examiners during the year for which there is a lack of authoritative guidance or consensus. All significant transaction have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 6, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Board's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Board's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management discussion and analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

This information is intended solely for the use of the Board of Directors and management of the North Carolina Board of Athletic Trainer Examiners and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

RH CPA, PLLC

Greensboro, North Carolina

Board of Directors and Management of
North Carolina Board of Athletic Trainer Examiners
Raleigh, North Carolina

In planning and performing our audit of the financial statements of the business-type activities of the North Carolina Board of Athletic Trainer Examiners (the Board) as of and for the year ended December 31, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the Board's internal control over financial reporting (internal control) as a basis for designing our 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Board's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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. We consider the following deficiencies in internal control to be a significant deficiency.

A good system of internal control contemplates an adequate segregation of duties so that no one individual handles a transaction from its inception to its completion. Due to the limited number of personnel there are inherent limitations to segregation of duties. Management is aware of this deficiency, but cost-benefit analysis indicates that hiring more personnel to mitigate this issue is not feasible.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the Board, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

RH CPAs, PLLC

Greensboro, North Carolina
July 6, 2023